



Evaluation

Danish Assistance to Vocational Education and Training



Evaluation Report

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National IT & Telecom Agency
Holsteinsgade 63
2100 Copenhagen
Denmark
Phone: +45 33 37 92 28
E-mail: sp@itst.dk

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- Annex 2: Additional overviews of projects
- Annex 3: List of documents reviewed
- Annex 4: VET-India
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- Annex 8: VET-Zambia

Abbreviations

BMZ	Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung
CBET	Competency-Based Education and Training
CBMT	Competency-Based Modular Training
CNC	Computer Numerically Controlled
CSIR	Council for Scientific and Industrial Research
CTA	Chief Technical Adviser
DAC	Development Assistance Committee
Danida	Danish International Development Assistance
DfID	Department for International Development
DKK	Danish Kroner
DoL	Department of Labour
DSTC	Danida-supported Training Centre
DTEVT	Department of Technical Education and Vocational Training
DTI	Department of Trade and Industry
EFT	Environment and Training Fund
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
GoB	Government of Bangladesh
GoI	Government of India
GRZ	Government of Zambia
GTZ	Gesellschaft für Technische Zusammenarbeit
hiv	Human Immunodeficiency Virus
hiv/aids	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICT	Information and Communication Technology
IDRC	International Development Research Centre
IDT	International Development Target
IDTR	Indo-Danish Tool Room
IGTR	Indo-German Tool Room
ILO	International Labour Organization
IRs.	Indian Rupees
IT	Information Technology
ISO	International Organisation for Standardisation
LTTI	Lusaka Trades Training Institute
MAC	Manufacturing Advisory Centre
MCP	Mixed Credit Programme
NAMAC	National Manufacturing Advisory Centres Programme Office
NGO	Non Government Organisation
NIC	Newly Industrialised Countries
NORAD	Norwegian Agency for Development Co-operation
NORTEC	Northern Technical College
NPI	National Productivity Institute
NTA	National Training Authority
NTTF	The Nettur Technical Training Foundation
NVTD	National Vocational Training Division

OECD	Organisation for Economic Co-operation and Development
PCR	Project Completion Report
PRSP	Poverty Reduction Strategy Paper
PS	Permanent Secretary
PSDP	Provincial Skills Development Project
R	South African Rand
RVTSC	Regional Vocational Training and Service Centre
SAP	Strategic Action Plan
SD	Skills Development
SDC	Swiss Development Co-operation
Sida	Swedish International Development Agency
SMMEs	Small Medium and Micro Enterprises
SPS	Sector Programme Support
SSA	Sub-Saharan Africa
SSI	Small Scale Industry
STED	Skills Training and Entrepreneurship Development Project
SWAP	Sector-Wide Approach
TA	Technical Assistance
TAGMA	The Tool and Gauge Manufacturers' Association
TEVET	Technical Education, Vocational and Entrepreneurship Training
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority
Tk	Thaka (Bangladesh currency)
TRC	Tool Room Committee
TSA	Tjeneste for Sektorfaglige Anliggender
TVET	Technical and Vocational Education and Training
TZS	Tanzanian Shilling
UCEP	Underprivileged Children's Educational Programs
UN	United Nations
UNDP	United Nations Development Programme
VEET	Vocational Education and Entrepreneurship Training
VET	Vocational Education and Training
VETA	Vocational Education and Training Authority
VTC	Vocational Training Centre
WTO	World Trade Organisation
ZMK	Zambian Kwacha

Executive Summary

The present evaluation, which was undertaken primarily to generate lessons relevant to future Danish assistance, covers bilateral assistance to VET during the period 1990-2001. A total of 53 VET interventions were supported in 23 countries at a combined cost of around DKK 1.3 billion during this period. Country case studies were undertaken in South Africa, India, Bangladesh, Tanzania and Zambia.

Danish support to VET has been influenced significantly by broader issues of Denmark's relationship with partner countries and the recent cuts in Danish development assistance. In the past five years, VET co-operation has ended, or moved into a winding-up phase, in Eritrea, Kenya, Malawi and India for reasons unconnected to the performance of the VET-support in those countries.

Overall Conclusion

Danish support to Vocational Education and Training has undergone a major shift in policy and practice over the period that is being evaluated. The main emphasis has shifted from individual vocational training centres to systems reform and institutional development. The evaluation has found a considerable gap between Danish development policies with their very strong emphasis on poverty reduction and gender equity and the actual implementation and effects of Danish VET-support. This gap is not a time-gap, but rather the result of a strategic choice on the part of Danida to focus on revitalising traditional public sector training institutions. These continued, however, to favour men rather than women and middle income rather than poor trainees.

Overall Recommendation

Considering the overall objectives of Danish development assistance, the role of Skills Development should be strengthened in the Danish aid programme. It is recommended to:

- adopt a poverty-oriented, gender-sensitive and demand-responsive approach to skills development in developing countries
- continue support to systems reform and institutional development, but rely more on NGOs and the private sector in the provision of vocational training
- strengthen skills development in sector programme support as part of broader capacity development efforts.

The evaluation has produced the following Key Findings:

Key Findings

1. Denmark's commitment to Vocational Education and Training (VET) was strengthened at a time in the early 1990s when many other donors, including the World Bank, were reducing VET assistance and switching their support to primary education. Danida played a pioneering role in supporting the creation of new donor-driven national vocational training systems in low-income developing countries in Africa, including Tanzania, Zambia, Malawi and Eritrea.
2. The impact of Danida-supported VET projects on poverty reduction has been limited. This is a consequence of the type and focus of training (pre-employment orientated mainly to the formal sector), small enrolments, the socio-economic profile of

full-time students, the cost of training, the location and funding of training centres and the current location of graduates. UCEP in Bangladesh and a few other projects represent exceptions to this general finding.

3. The vocational training centres, supported by Danida, remained male-dominated. Gender strategies were not developed. On the contrary, large capital investments were made in male-dominated trades and almost all Danida-advisers were men. Where gender ratios among students did improve this was mainly for two reasons: The introduction of female-dominated trades and higher enrolment in existing female-dominated courses. In recent years, the gender balance of advisers has improved. In addition, Danida has financed the construction of dormitories for girls to improve their access to VET.
4. HIV prevalence is very high in most countries in East and Southern Africa but did not seriously affect Danida-supported activities in the VET sector during the 1990s. None of the vocational training centres supported by Danida introduced systematic AIDS prevention programmes for staff and students during the 1990s, but recently initiatives have been taken to this effect in some of the centres.
5. In broad terms, the system reforms in both Tanzania and Zambia were based on sound principles and goals. The key objectives were the creation of national training authorities, assured funding, demand-driven training provision, and the creation of competitive training markets. However, the translation of these basic design principles and objectives proved to be problematic in both countries, although in different ways. Danida gave insufficient thought in the design phase to the complexity of the shift towards a more systemic approach. As a result, risks were under-estimated, assumptions were over-optimistic, and time-lines were unrealistic.
6. Although new national training authorities were established in a number of countries, limited progress was made in developing effective and efficient national training systems during the 1990s. In large measure, this can be attributed to the shortcomings in system design and implementation problems. For example, system outcomes were minimal in Zambia because the enabling legislation did not become effective until late 1999. The flaws in system design made it difficult to create a new organisational culture in Tanzania.
7. Reforming the supply-driven vocational training system to become more demand-driven has had limited success in Sub-Saharan Africa primarily because there is now a reduced industry-demand for skilled labour. There are, however, unmet skills development needs in low-income countries related to primary production in rural areas and service sectors in urban areas, which Denmark could attend to, more in line with Danish foreign aid policies.
8. There is evidence, in particular from Asia, to suggest that the Danida-supported training has significantly improved chances of trainees to earn a good income. The production of quality graduates over many years in Danida-supported training institutions has had a positive effect on the technological capacity of industries in several countries.
9. Training at the Danida-supported Training Centres was generally of high quality. Training quality clearly improved over the years as result of the Danish assistance.

Concerns remain, however, about the overall relevance of some of the trades offered. Tracer studies carried out as part of the evaluation presents a very mixed picture of the share of former students that have training-related jobs.

10. Many VET projects relied heavily on costly long-term Danida advisers. Often the same adviser has performed a variety of very different functions. He/she has served as technical expert of VET-training, facilitator of organisational change, capacity development specialist, management and policy adviser to the host institution as well as manager of the Danida support and controller of Danish funds. Each of those functions requires specific skills and capabilities. The implicit Danida assumption has been that all the skills and capabilities required could be found in one and the same person. This, however, has turned out to be the exception rather than the rule. Other bilateral donor agencies in the VET sector have found that the continuous presence of agency personnel in order to prevent the possible misappropriation of project funds and other resources may not be necessary with proper financial and other resource control systems in place.
11. The trade-offs between cost recovery and equity objectives are becoming more acute as training institutions come under pressure to raise income from student fees. With declining donor and public funding it becomes increasingly difficult for national training authorities to both meet the skills development needs of the poor and promote financial sustainability of training institutions.

Wider Perspectives

In the final chapter of the evaluation, which includes a number of more specific recommendations, the question is raised about the future role of VET in the Danish aid programme. Should VET continue to form a distinct part of the aid programme – a part of the Danish commitment to post-primary education? Or would it be more cost-effective to see VET as a capacity development issue to be addressed in a systematic manner within all the other sector programmes and in the expanded programme for private sector development?

1 Introduction

Denmark has provided substantial assistance to the vocational education and training (VET) sector in many developing countries. Danida sees the provision of high quality and relevant VET as making a major contribution to human resource development in both the formal and informal sectors of these countries and as such fully supportive of poverty reduction, which is the overriding objective of Danish development assistance.

1.1. Evaluation Objectives

Despite the importance and substantial commitment of resources to VET projects and programmes, there has been no overall evaluation of this assistance. As part of the ongoing programme of sector evaluations commissioned by Danida's Evaluation Secretariat, it was decided, therefore, to conduct such an evaluation. The main objective was 'to compile relevant lessons learnt in order to improve the quality of Danish assistance in the field of vocational education and training, and contribute to the strengthening of VET systems for the formal as well as the informal sector in developing countries'. The full Terms of Reference are presented in Annex I.

The evaluation was carried out by COWI from September 2001 to June 2002. The team included consultants from the five countries that were selected for field studies. The team leader for the overall evaluation was Lars P. Christensen. This report synthesises the main findings and recommendations of the desk study and five country studies, which were authored by Paul Bennell, Ane Bonde, Per Christensen, Dana Gieseler, Stanley Hardman, Akhter Hussain, Kenneth King, Mikkel Klim, Simon McGrath, Faustin Mukyanizi, Russel Mushanga, and Atul Vij.

1.2. Evaluation Methodology

The evaluation covers bilateral assistance to VET during the period 1990-2001. A total of 53 VET interventions were supported in 23 countries at a combined cost of around DKK 1.3 billion during this period.

The evaluation comprised the following related sets of activities:

1. **Documentation review:** The basic documentation for all VET projects was reviewed and a simple data base developed in order to analyse basic resource allocations by type of project and country.
2. **Desk study:** This provides an overview of key issues with respect to VET provision in developing countries in the context of globalisation as well as the size, composition and key issues related to Danida assistance to VET. A one-day workshop was held at the Ministry of Foreign Affairs in November 2001 to review this document.
3. **Country studies:** VET projects in the following five countries were selected for in-depth assessment: India, Bangladesh, South Africa, Tanzania, and Zambia. An overview of the VET Projects and Programmes selected for in-depth study is presented in Table 1.1. Between them these five countries account for 60% of Danida

support to VET between 1990 and 2001. While Danida's support for the VET sector in Bangladesh, India, and Tanzania dates back to the 1970s, its involvement in South Africa and Zambia only began in the mid-late 1990s. The selected projects comprise a representative cross section of Danish support to the VET sector. Three-four person multidisciplinary teams of international and national consultants undertook one-two weeks of field work in each country. A comprehensive and detailed field study guide was prepared for these country visits. All major stakeholders were interviewed, including the management, instructors and students at Danida-supported training centres (DSTCs), relevant government officials, employers, NGOs, and Danida and other donor agency personnel working in the VET sector. In addition, basic information on project inputs, outputs and where possible, impacts was collected from primary and secondary sources. National consultants also completed surveys of graduates (tracer studies) from selected DSTCs and major employers. A one-day workshop was held in March 2002 to consider the first drafts of the country reports and discuss the implications of the country studies for the key findings, lessons and recommendations to be included in the Synthesis Report.

4. **Synthesis Report:** This report presents the main findings, lessons learned and recommendations of the entire evaluation. The report has been prepared and kept short in accordance with Danida's Guidelines on Evaluation. A draft of the Synthesis Report was discussed in a workshop in Copenhagen in May 2002.

1.3. Strengths and Weaknesses of the Evaluation Process

An Advisory Group has been called upon four times to provide comments to the scope and the outputs of the various stages of the evaluation. These workshops have turned out to be valuable parts of the evaluation process.

The draft Country Study Reports as well as the Draft Final Synthesis Report have been sent for comments to the five countries visited and relevant offices in the Ministry of Foreign Affairs. All comments received have been carefully considered in the preparation of the final versions of the documents.

Every effort has been made to base the evaluation on robust qualitative and quantitative evidence with respect to all the key input, output and impact performance indicators. However, given the complex methodological issues involved in evaluating VET activities coupled with the limited time available to collect and analyse data, it has not been possible to generate adequate supportive data in all relevant areas. Most of the Danida-supported VET-programmes have not had monitoring systems, generating data in a systematic manner on pre- and post training income levels of trainees, on trends in costs per unit of output, etc. Information of this kind would normally be used for management purposes and for later evaluations such as the present.

There are important issues, which have been given less attention in this evaluation. They include the role that the private sector and NGOs play in the provision of VET and the cross-cutting policy concerns relating to environment and democracy & human rights. The lack of attention to these issues in the evaluation process is a reflection of the fact that they have not appeared to be important in Danida-supported VET-programmes. Therefore, the evaluation team, having had to prioritise the limited resources available for the evaluation, has chosen to put less emphasis on those issues, even if they actually deserve a more substantive examination.

Table 1.1: Overview of VET Projects and Programmes Evaluated in the Country Field Studies

Country	Projects Evaluated	Acronym Descriptor	Project Dates	Danida Support (DKKm)	Type of Intervention	Targeted Sectors	Employment Orientation
Bangladesh	Under privileged Children's Educational Program	UCEP	1972-	94	Post-school VET for under-privileged children	Basic industrial and construction trades	Formal and informal
India	Indo-Danish Tool Room Programme	IDTR	1972-2001	157	Establishment of six tool room training and production centres	Manufacturing	Formal
South Africa	Provincial Skills Development Project	PSDP	1997-2001	23	Piloting of two new learnership courses	Manufacturing	Formal and informal
South Africa	Manufacturing Advisory Centre, Tools and Training Programme	MAC	1997-1999	27	Training of extension advisers at two MACs	Manufacturing	Formal and informal
Tanzania	Support for Vocational Education and Training Authority	VETA	1992-	200	Support for new training authority and four training centres	Basic industrial and construction trades	Mainly formal
Zambia	Support for Establishment of TEVETA and Skills Training and Entrepreneurship Development	VEET/STED/SPS	1994-	185	Support for new training authority and two training centres	Basic industrial and construction trades	Mainly formal

In the evaluation process relatively more emphasis has been put on analysing Danish VET-support to African countries compared to the emphasis on VET-support to Asia. This was reflected in the evaluation input allocated to the various country case studies. The input for the Tanzania-study, for example, was three times larger than the input for Bangladesh. This was justified not only by the shift in Danish VET-support in favour of Sub-Saharan Africa during the 1990s. More importantly, the types of interventions which Danida has been making in Tanzania and Zambia represent to a greater extent “the state of the art” in terms of Danish VET-support. Before the reduction in Danish development assistance, introduced by the new Danish government at the end of January 2002, Danida was planning to fund programmes of the same kind in other countries, including Eritrea and Malawi from which the Danish government has now decided to withdraw. The potential for effective learning from the African experience appeared therefore to be greater at the time when country studies were planned.

1.4. Report Structure

In what follows the reader will find eight more chapters and nine annexes:

Chapter 2 is an account of Danida VET policy during the period under review. Annex II is a supplement, which further discusses “Employment and Skills Development in the Age of Globalisation”.

Chapter 3 provides a quantitative overview of Danish assistance to VET from 1990 to 2001. The more detailed overview of the projects and programmes included in the evaluation is provided in Annex III. A brief account of skills development efforts, which are not analysed in this evaluation, but constitute important parts of the Danish development assistance programme, is provided in Annex IV.

Chapter 4 focuses on overall intervention modalities and specific aspects of project and programme design.

Chapter 5 focuses on management issues in relation to the implementation process.

Chapter 6 examines outcomes and effectiveness of Danish VET-support.

Chapter 7 assesses impact of Danida’s assistance to VET during the 1990s

Chapter 8 examines issues related to sustainability.

Chapter 9 summarises at a more general level the lessons learned and provides recommendations.

Annexes V-IX include the Executive Summaries of the Five Country Study Reports. The full country reports, including tracer studies, are found on the attached **CD-Rom**, which also includes the Field Study Guide, additional overviews of the projects and programmes included in the evaluation, and a comprehensive list of documents reviewed.

1.5. Acknowledgements

The evaluation team would like to express our sincere thanks to the Governments of South Africa, India, Bangladesh, Tanzania and Zambia for their support and assistance in conducting this evaluation. We also received excellent support from Ministry of Foreign Affairs personnel in Copenhagen and at the Danish Embassies in each of the case study countries. Management, teaching staff and students at the Danida-supported training centres (DSTCs) and many other individuals in both the public and private sectors provided essential information. We also want to thank the workshop participants for valuable comments at critical points of the evaluation process. The content of this report is entirely the responsibility of the evaluation team. The views expressed and the recommendations made are not necessarily shared by Danida or by institutions and governments in countries included in the evaluation.

2. Policy Environment of Danish VET-support

The recent 12 years have seen a major acceleration in the rate of technological change, particularly in the advanced capitalist economies, as well as in China and in parts of East and South Asia. The emergence of new products and services grew at a historically significant rate. The global shift away from mass production and mass consumption has been linked to a new emphasis on design and knowledge-based value-added.

In Danida's partner countries, however, most of the workforce is within the informal sector. Countries like India and South Africa do have some plausible claim to have knowledge-intensive economic sectors or sub-sectors. This is not the case in most low-income developing countries such as Bangladesh, Tanzania and Zambia. Even in India and South Africa, the majority of workers remain in activities that have been largely unaffected by the emergence of new technologies and knowledge-related working practices.

The promised benefits of liberalisation and globalisation to the South have often not materialised. Especially in sub-Saharan Africa deindustrialisation is more prevalent than globalisation-led industrial expansion. Some high value, export-oriented agricultural production has developed in parts of sub-Saharan Africa, but the general prospects for agricultural production remain poor.

Structural adjustment, liberalisation and privatisation have had mixed impacts on employment and incomes. Many women have found employment in export-processing zones, although typically in poor quality jobs and rarely in Danida's partner countries, except Bangladesh. The decline in manufacturing and the increase of imports have badly affected a number of important areas of traditionally male employment.

HIV/AIDS has impacted significantly on many of Danida's partner countries. In high-prevalence countries, the AIDS epidemic will seriously depress both productivity and investments in skills development.

2.1. Danish VET Policies

Prior to 1994, Danida's sectoral work was not guided by officially published sector policy documents but by overall development assistance policies and guidelines for project preparation, monitoring and evaluation. However, in that year, Vocational Education and Training was the first sector to be covered by a "sector policy". The VET sector policy paper is the key reference document for this evaluation of Danish VET assistance.

Given the emergence of strong Danish commitment to sector programme support, the 1996 *Guidelines for Sector Programme Support* had an important influence during the more recent part of the period under evaluation. This document made Denmark an early pioneer of the sector wide approach.

The 1994 VET-policy appears, in large part, to have been a reaction to the move away from supporting VET by many of the major donor agencies. The move away was a con-

sequence of the shift in emphasis in favour of basic education. It was reinforced by the World Bank's critique of government-funded VET in developing countries, which was published in 1991. Although the Danish sector policy accepted much of the World Bank's critique of the failings of VET, its response was to reaffirm Danish commitment to support for this sector.

In so doing and in line with the overall policy emphasis on sector programme support, the Policy Paper stressed the importance of moving more of the focus to the systemic level. This led to support for tripartite structures for the governance of national VET systems and new financing arrangements. Thus, Danish support was seen as needing to shift from individual training centres to national systems and national training authorities. At the same time, the policy was concerned to promote decentralisation of decision-making power within a coherent national approach.

The policy acknowledged the importance of VET for both the formal and informal sectors, and recommended that support for either be based on a detailed reading of local economic realities and possibilities. The policy also called for attention to be paid to access of both men and women from poorer backgrounds. In conventional public provider institutions, it was recommended that attention should be paid to the possibility of introducing elements of preparation for self-employment. It also recommended that support for the informal sector, where possible, should build upon the existing systems of the sector.

In 2001, a new draft policy on skills development was produced. This is intended to replace the 1994 policy. Although it does not yet have official status, it is important to comment briefly on its evolution and focus, and how this relates to the future challenges for Danish assistance to VET. The 2001 draft policy largely builds upon the 1994 policy and reiterates many of the same main points. Nonetheless, there are two significant policy developments. First, the title of the policy has shifted from VET to skills development. The significance of this lies in the broader nature of the latter concept. This leads to a greater emphasis on using the 2001 sector policy also as a set of guidelines for policies in other sectors where skills development is present. Second, the policy is very tightly linked to the new overall development strategy, "Partnership 2000". This is reflected in a detailed analysis of the ways in which skills development can contribute to poverty reduction and the set of Danish cross-cutting policy concerns. In this respect, Danish policy is very much at the cutting edge of donor agency thinking.

2.2. Assessing the Evolution of Danish VET Policies

The 1994 VET policy does appear to be based on a sound reading of the experience of Danida and other donors in the VET sector, whilst taking a significantly different set of conclusions from these than, for instance, the World Bank. It produced a plausible set of policy responses that shifted the emphasis away from the individual training centre towards the national level. However, this meant a shift in emphasis away from an area in which there was considerable Danish experience to one that was very new. Moreover, given the choice of partner countries, this was also a form of intervention where Southern and donor partners had little experience.

The 1994 VET policy stated Denmark's commitment to the overall goal of poverty reduction in developing countries. However, there was insufficient analysis of the role

that VET can play in achieving this goal. Instead, this appeared largely to have been assumed. The 2001 draft policy does address this issue more directly, although here again the argument could have been developed further, e.g. by pointing to the mechanisms for giving poor communities more control of VET projects and making them more responsive to actual work opportunities. UCEP in Bangladesh and the Micro-Enterprise Development Project in Kenya are excellent examples of such more poverty-focussed VET-support.

All three cross-cutting issues (gender equality, sustainable environment, and democratisation) were reflected in the 1994 policy. However, it may be argued that they were not given sufficient prominence in the policy, and detailed strategies for their realisation were lacking. The current draft policy on VET does place far more emphasis on Denmark's expanded set of cross-cutting policy concerns and provides more detailed analysis of how these can be addressed in a skills development context.

In the 1994 policy no area of VET provision is excluded. The stress on the importance of both formal sector and informal sector can be seen as providing a sensible balance. However, it also ran the risk of allowing any project to be justified, in particular because the policy lacks a clear sense of direction.

Although more emphasis was placed on the role of the stakeholders in VET, the Danish VET policy did not push for the role of employers to be as dominant as in the policies of certain other donors. This is surprising because there has always been a strong tripartite emphasis in Danida.

The 1994 policy did mark a significant shift away from elements of the old approach to VET assistance. Nonetheless, it remained strongly focused on the productive sector, the traditional set of artisanal crafts and pre-employment training. There was some mention of technological change and innovation but little or no attempt to analyse the possible challenges that changes in the world of work might bring to VET.

The current draft policy reflects, to some extent, the growing attention to globalisation. However, here too, it may be argued that there is a need for more consideration of the impact of economic and technological change on the kind of skills development that Denmark is seeking to support.

2.3. From Policies to Implementation

There are clear shifts in the nature of Danish support to VET since 1994 that indicate a response to the recommendations of the sector policy paper. These include a distinct re-weighting of the geographical location of new projects and programmes to Africa and away from Asia. The shape of Danish support to VET since 1994 also reflects the emergence of sector programme support, with a move to funding a smaller number of larger interventions. While the individual vocational training centres continue to receive support, the new emphasis is on national training authorities and systems development.

Denmark is committed to sector programme support and to better coordination with other donors. However, it has not gone as far in practice as a number of other agencies. In the VET sector, there has tended to be informal agreements between the small num-

2. POLICY ENVIRONMENT OF DANISH VET-SUPPORT

bers of active donors in a country about which elements of the sector each of them will support.

Danish support to VET has been impacted upon significantly by broader issues of Denmark's relationship with partner countries and the recent cuts in Danish development assistance. In the past five years, VET cooperation has ended, or moved into a winding-up phase, in Eritrea, Kenya, Malawi and India for reasons unconnected to the performance of the VET-support. Although winding-up in most cases is done in a responsible manner, this unfortunate development has an impact on a large part of Danish VET-support. It represents not only a loss in terms of investments made – it is also potentially very harmful for the work of Danida in this sector.

Concerns must remain about the extent to which Danish VET assistance has been pro-poor. Whilst it is clear that successful skills development contributes to economic development and in turn may contribute to poverty reduction, at least indirectly, there is little in the way of analysis of the poverty reduction role of skills development in project and programme documentation. The cross-cutting concerns of Denmark's overall cooperation policy have achieved greater prominence in programme and project documentation since the mid-1990s. Nonetheless, on the ground, Danish VET-support has continued to favour non-poor groups of men receiving training in top-down managed public training institutions in developing countries.

There is some reflection in project documentation of the importance of the informal sector and self-employment for Danish VET assistance. However, in some partner countries, it appears that there has been an informal division of labour between Denmark and other donor countries such as Germany and the Netherlands. Danida has continued to focus on the formal sector, while the other agencies take on greater responsibility for support to the informal sector. At the same time, the emphasis remains largely on the artisanal trades that have traditionally been supported by VET institutions. If Denmark is serious about shifting towards a greater informal sector focus, it would do well to understand the experience of other agencies with a longer and deeper involvement in this area. It could be that Denmark's own strong version of tripartism with its roots in organised labour has not yet developed an appropriate response to the 'majority economy' of unorganised and un-unionised workers in the informal sectors of the developing world. The answer may in part be to see the informal sector as an enterprise issue rather than a labour issue.

The shift in VET policy and overall development strategy has led to a major shift in the nature of Danish VET cooperation. This requires that technical advisers have a new set of skills and knowledge. Whilst there is awareness of this in Danida, the challenge of retooling technical advisers still remains far from finished.

3. Danish Assistance to VET 1990-2001

Support to Vocational Education and Training in developing countries has been part of Danish development co-operation for almost four decades. Hundreds of Danish advisers and volunteers have been involved in the transfer of knowledge and skills in this field. During the period 1990-2001 more than DKK 1.3 billion was allocated for VET in 23 countries, primarily in Asia and Africa. The continued Danish commitment to VET over many years is impressive, but the allocations represent only about 2.1% of total Danish bilateral assistance in the period under review.

3.1. Scope of the Overview

From an operational point of view this evaluation embraces bilateral projects and programmes, supported by Danida, defined as vocational education and training under DAC code no. 113 (Vocational and Technical Education) and DAC code no. 115 (Non-formal Education). In addition, a few projects, which were not categorised as VET but contain substantial VET-support, have been included in this evaluation at the request of Danida.

The evaluation excludes a systematic assessment of the many skills development activities included in SPS-programmes. Therefore, the evaluation will not assess how effectively skills development is integrated in larger human resources development efforts in sector support programmes. Similarly, it is not part of the scope of the evaluation to assess the effectiveness of the skills development, which is part of other bilateral programmes, such as the PS-programme and the Mixed Credit Programme. A brief account of the skills development efforts in other important parts of the Danish aid programme is provided in Annex IV.

In addition, many NGOs and a few international organisations are providing support for skills development funded by Danida. Over the years several hundred Danish volunteers (development workers), deployed by the Danish Association for International Co-operation, MS, have been involved in numerous skills development projects. During the 1990s, MS has cut down considerably in the overall number of development workers. In the same period the relative importance of skills development within the overall "MS in the South"-programme has declined. Skills development was previously an important part of the technical assistance programme of ILO. This is no longer the case, and skills development is not one of the four priority areas for Danish voluntary contributions under the new Framework Agreement on Technical Co-operation between Denmark and ILO starting in July 2002.

3.2. Danish Financial Assistance to the VET Sector

Total VET allocations represent 2.1% of total Danish bilateral assistance in the 1990-2001 period. When comparing the first half of the period with the second half, VET allocations have decreased by 25% in absolute terms. When comparing with the Danish bilateral assistance for the two periods, the VET share has dropped from 2.9% to 1.5%.¹

We find considerable annual fluctuations in VET-commitments, ranging from 0.8% to 7.5% of the total Danish bilateral aid programme.

The quantitative overview of financial contributions to VET confirms the two major shifts in VET support during the 1990s, namely the geographical shift from Asia to Africa and the shift from many individual projects with relatively small allocations to a few comprehensive programmes with relatively larger allocations.

3.3. Geographic Distribution

Danida's support for the VET sector had an emphasis on Africa (61,5%) as compared to Asia (38,0%) and Central America (0,4%) when considering the totals per region over the 12-year period. In addition, VET-support has also been provided to Kosovo.

1) *Efforts have been made to compare Danish allocations to VET over time with similar allocations made by other donors. The evaluation team has not been able to overcome the methodological difficulties involved in compiling such an overview. It is clear, however, that Denmark is one of the largest donors in this field, perhaps the largest, at least in Sub-Saharan Africa.*

3. DANISH ASSISTANCE TO VET 1990-2001

Table 3.1 Approved Danish VET-Allocations 1990-2001 (DKK 1000)²

Africa		Asia	
Tanzania	231,135	India	242,923
Zambia	184,960	Bangladesh	116,644
Mozambique	77,870	Indonesia	66,433
Burkina Faso	67,200	Thailand	44,713
Eritrea	59,915	Bhutan	23,310
Kenya	52,460	Cambodia	13,112
South Africa	51,500	Vietnam	6,372
Malawi	37,008	Nepal	230
Egypt	27,218	Total Africa	832,029
Zimbabwe	25,108		
Ghana	13,700	Central America	
Uganda	2,780	Guatemala	5,407
Benin	1,175	Nicaragua	500
Total Africa	832,029	Total Central America	5,907
Grand Total 1,351,673			

Source: Danida Board Approvals and Project Documents – A few projects were approved before 1990.

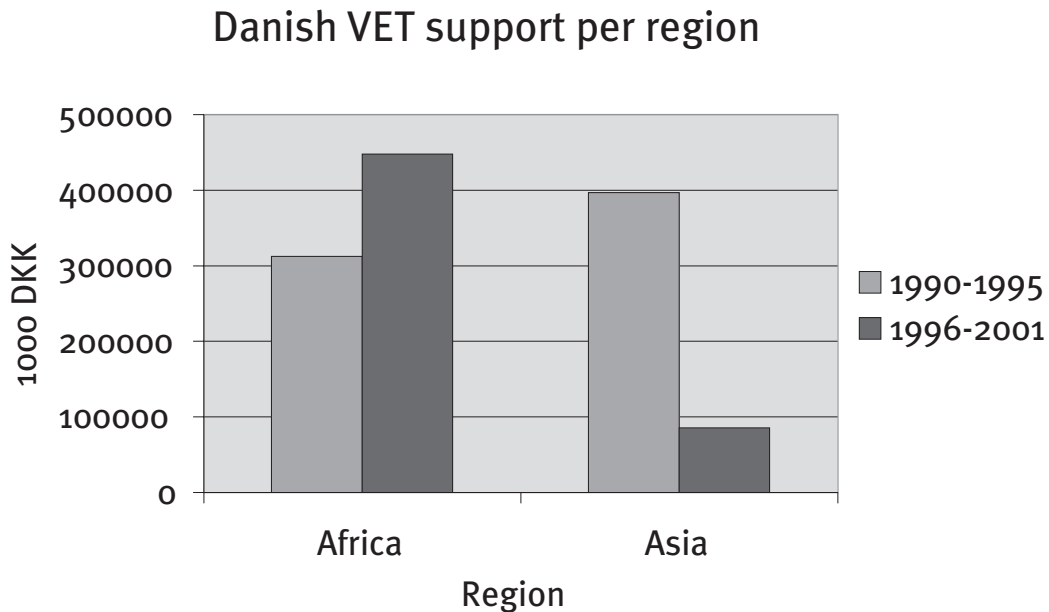
During the 1990s there was a significant shift in focus from Asia to Africa. Most Asian projects were initiated before 1990 or in the early-to-mid 1990s. Since then, funding for VET activities in Asian countries has only been granted for extensions of existing projects. The allocations to Asian projects have been DKK 30 million or below every year since 1993. In total, Danish VET support for Asia during the second part of the

2) Danish VET-support comes from different sources. This has made it difficult to provide an exact overview covering all funding commitments. Inputs such as technical assistance, training funded by Danida Fellowship Centre and Danish Embassies, and short term consultancy missions, have been provided but often not included as line items in the project budgets. E.g. for the *Zambian Skills Training and Entrepreneurship Development Project (STED)* total project expenses are approximately 50% higher than what is indicated in the project documents. Whenever figures have been available to the evaluation team, these "additional" expenses have been included in the overview presented in Table 3.1.

3. DANISH ASSISTANCE TO VET 1990-2001

decade was only 1/5 of the support in the first part of the decade. Had other VET-related programmes been included in the overview, e.g. the substantial investments in technical schools in Thailand under the Mixed Credit Programme, the shift from Africa to Asia may not have been seen to be as significant as presented in Figure 3.1 below.

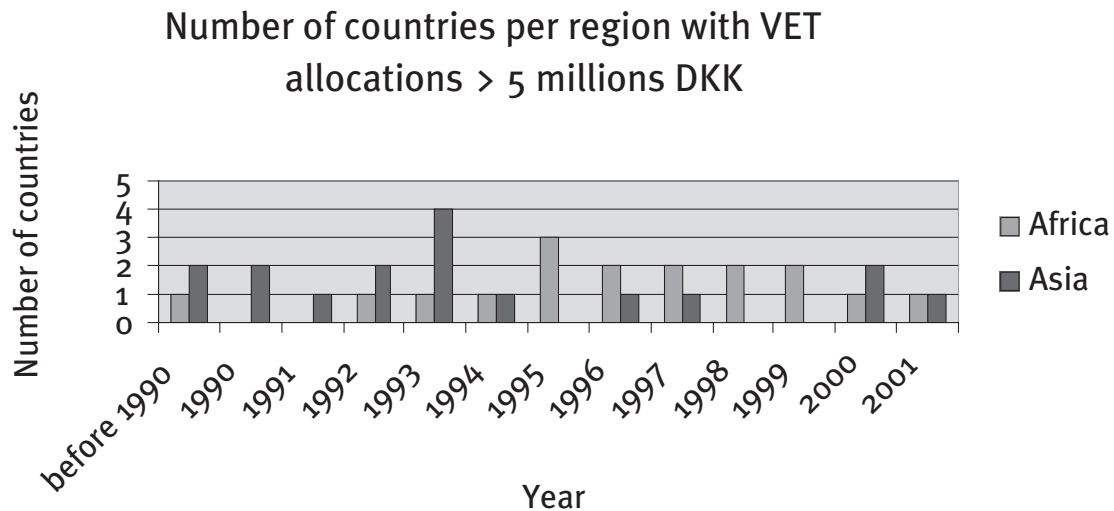
Figure 3.1



Source: Danida Board Approvals and Project Documents

VET initiatives have been launched in a wide range of African countries. Apart from the large investment in Tanzania, the allocations in the first half of the 1990s were limited. Total Danish VET allocations for Sub-Saharan Africa increased by approximately 40% in the second half of the 1990s. Similarly, data provided by Danida on short-term-consultancies, indicate the priority given to Africa. Out of 46 short-term contracts signed in 2000 and 2001, only six related to interventions outside Africa.

Figure 3.2



Source: Danida Board Approvals and Project Documents

The size of the projects changed in the period under review. In the early 1990s, Danida invested heavily in India and Tanzania with projects amounting to approx. DKK 150 million each. In the mid-1990s these two major investments were followed by a series of smaller projects (DKK 10-60 million) in a larger number of countries. The strategy from the late 1990s was to phase out smaller projects and focus on a handful of larger sector support programmes.

Before the recent cut down in Danish Development Assistance, Danida had planned to launch the next VET-SPS in Malawi in 2002. Malawi, however, is one of the countries which has been removed from the list of programme countries. Consequently, the “preparatory” work, which has been going on since 1997 at a total cost of almost DKK 35 million will end in July 2002 without being replaced as planned by a large-scale sector programme investment. In Eritrea, which is another programme country being denied further Danish assistance, the VET component (2000-2005) of the Education Sector Programme will be implemented but phased out in 2005.

3.4. Types of VET Support

The types of VET support provided have changed significantly during the 1990s.

Formal Versus Informal Sector Focus: Assistance to the VET sector during the first half of the 1990s focused mainly on meeting formal sector training needs. In India, for example, strategically important industries and sectors such as cement, gas, and environment were supported with the establishment of Training Institutions. The 1994 VET Policy indicated that the informal sector should also be addressed. Most of the later (African) projects have had overall objectives, which suggested that support should also be given to the informal sector.

The programmes formulated in the late 1990s, e.g. in Zambia, Malawi and Kenya, have more explicitly defined objectives and components relevant to the informal sector. How-

3. DANISH ASSISTANCE TO VET 1990-2001

ever, the majority of these recent initiatives are scattered add-on activities, which do not address the needs of the informal sector in a systematic and comprehensive manner.

Type of Institution: There are major differences as to how support is focused in Asia and in Sub-Saharan Africa. While the earlier Asian projects focused on sector-wide training institutions and individual schools, Danida's support in Africa has increasingly been directed towards reform of national training systems. However, this did not exclude more traditional support for the upgrading and rehabilitation of individual training institutions and technical schools.

Target groups: Very few of the larger VET projects were oriented towards meeting the needs of women, youth, handicapped or the poorer segments of the population. In Asia this was mainly because male-dominated formal trades were supported (for example, shipyard workers, technicians in the gas and cement industry and government officials responsible for environmental issues). Exceptions from this trend in Asia are the Production Training Centres in Indonesia and UCEP in Bangladesh and Nepal. Both have significant intakes of women. UCEP, moreover, is particularly catering for disadvantaged boys and girls.

Although not particularly well covered in the project documents, gender issues have been addressed in e.g. Tanzania, Zambia and Eritrea through the construction of female dormitories and introduction of "female" trades such as tailoring, secretarial & computer science and catering.

4. Intervention Modalities and Design

The Danida-supported projects in the five case study countries cover two in Asia and one in Africa with a very long history and more recent interventions in South Africa and Zambia. Although this evaluation only covers the last 12 years, it is important to analyse the important changes that have occurred in intervention modalities and specific aspects of project design in a wider historical perspective.

4.1. Design and Modality Lessons from the Longstanding Asia Projects

The Underprivileged Children's Educational Programs (UCEP) in Bangladesh is an interesting example of an important shift in the modality of donor support. In the first no less than 20 years, first Danida and then several later donors encouraged this NGO, mostly by applying a traditional mode of support to specific activities, accompanied by specific reporting requirements. Individual donors assisted with particular components in UCEP's list of needs. It is interesting to note that this modality shifted dramatically in the 1990s with the establishment of a donor forum that fed funds from three and then four donors into a common basket. Thus even before Danida's VET policy had set out in 1994 the desirability of sector support by multiple donors, there was a powerful miniature illustration of important elements of this new approach in place. The co-ordination involved joint review of the project as well as work with UCEP on joint project documents. It is worth acknowledging this example of multi-donor support to a single NGO and the value of what has been achieved through funding which might prove difficult to justify *ab initio* in today's climate. Yet it should be remembered that although sector programme support has tended to mean in practice government to government agreements, it was always intended that sector approaches should involve a variety of stakeholders, including NGOs. The example of UCEP points to the importance of just such a modality in sector wide negotiations, and especially if the intention is to reach down to support VET for the poorer and more marginal young men and women, where many NGOs have a comparative advantage.

The second Asia project studied, the Indo-Danish Tool Rooms (IDTRs), may also provide some valuable insights into modality and design over time, and not least the paradox of the continuing salience of Danish technical assistance for 30 years in India, a country with such high technical capacity of its own. It should not be forgotten what 'design' meant at the time when the tool rooms were first agreed: it was widely assumed that with the supply of good equipment and the plentiful provision of technical assistance, the institutional transfer of a comparable Danish, Swedish or German standard of technical training could be achieved in some 5 or 6 years. Even though it is recorded that the Indian government of the time had suggested that it was the equipment rather than the technical assistance that was required, it is noteworthy that technical assistance remained a very important component in both the first and second phases of the project.

In the second phase, the model remained fundamentally the same. Indeed it could be argued, in design terms, that Danish technical assistance actually became more visible and centralised with Dantool, the project coordination office headed by the Danish

Chief Technical Adviser. One of the aid intervention questions must be, therefore, how Dantool retained and even added to its management responsibilities in the last years of the project, at the very time that these would normally have been in the process of transfer to the Development Commissioner for Small Scale Industries. This was already several years after other donors – for example in the education sector – had been asked to close their project coordination offices. Dantool's very tight book-keeping, control of all expenditures on the important Tool Room Committee (TRC) right up to project termination in May 2001 may actually be one part of the explanation for the TRCs demise immediately thereafter. With the benefit of hindsight we can argue that much earlier in the 30 years there should have been a shift from a form of technical assistance that was technically competent to a higher level of technical assistance that was concerned with institution building and institutional autonomy.

One positive design aspect of the second phase of IDTR, however, was a readiness to adjust the objectives when the project period was extended in 1996. This allowed the project to emphasise a more active involvement with the private sector, reflecting the changed environment since the liberalisation of the economy, and also to press for greater management autonomy. It is intriguing that advantage was not also taken of this opportunity to press for a more active gender equity policy. This important policy concern of Danida would wait almost to project termination before it was very strongly urged on the tool rooms by the TRC.

A final puzzle on the design side is to explain why so little attention except in the very early years seems to have been paid by the Indo-Danish Tool Room planners and by Dantool to the modalities of the very successful Nettur Technical Training Foundation (NTTF) tool room. It operated as a uniquely innovative limited company outside of government, and could well have been a useful comparator.

4.2. Design and Modality Lessons from Danish VET-support to Africa

In both Tanzania and Zambia, a move towards a sector approach is evident. However, this does not go as far as basket funding, and collaboration with other donors is largely informal. Moreover, in both cases, support to national level reforms is combined with continued support to a small set of public provider institutions. This decision to continue support to providers was a key design decision that has had major ramifications for the larger interventions.

In the case of South Africa, the two interventions were much more in the project mode, although not in the traditional form of support to public training providers. In the case of the MAC, the project was not linked primarily to partners in the VET sector and so could be expected to have little systemic influence thereon. The PSDP, however, was closely in line with South Africa's own national Skills Development Strategy and was intended to provide learning of use across the emergent system. These projects demonstrated innovativeness in design. However, it could be argued that this owed much to the special circumstances of South Africa.

Overall, the projects and programmes in Africa were clearly in keeping with the goals of the 1994 VET policy, which stressed the importance of moving towards a national and systemic focus, including support to national training authorities. This is clearly seen in

the Tanzanian and Zambian cases. In South Africa, although the focus of the PSDP was on a relatively small provincial level initiative, it was in support of development of a new national system in which the South African Department of Labour was playing a leadership role.

The MAC project in South Africa does not fit within the normal parameters of a VET project. Nonetheless, it did represent a valuable intervention into skills development for small and micro enterprises and thus could be seen as fitting within the broader concerns of the 1994 policy. Moreover, it was clearly in keeping with South African development priorities. This case raises an interesting design question about the appropriateness of innovative responses to particular nationally-expressed needs even where these do not appear to fall within the mainstream of Danish policy and programme traditions.

The South African projects were designed to be time-limited experimental interventions. There are merits in such an approach, particularly in a relatively wealthy and high capacity partner country. However, in spite of the importance given to learning from the piloting experience in the PSDP, and the very positive experience of the first phase in this regard, the project design for phase 2 was inadequate in this respect. The possibilities for system level influence from this project, thus, are seriously compromised. The MAC, on the other hand, had sufficient strength in its national and provincial structures to become a nationally owned project. Taken together, the two projects highlight the importance of a design that allows learning to be generated, internalised and disseminated during project implementation.

The 1994 VET policy laid out a rigorous set of activities that should be conducted prior to project approval. However, these appear to have been only partially addressed in project design in the African cases under consideration. At times the consultancy work has been done by firms that themselves are major executing consultancies on other VET-projects. This could lead to a tendency towards more muted criticism of design weaknesses. There are few clear targets set for projects and little in the way of baseline data that would be needed for performance analysis.

A number of the assumptions under which projects were approved were not realised. Whilst the assumed growth of the South African tourism and construction industries may be judged to have been plausible, the assumptions about growth in the Zambian and Tanzanian economies seem over-optimistic. Assumptions about stakeholder support and the ease of organisational transformation were clearly questionable in the Tanzanian and Zambian cases. There were overly positive assessments of the capacity of training provider institutions in both countries. Overall, there is not enough critical discussion of such assumptions in project documents. The Tanzanian and Zambian projects were particularly high risk given their attempt to facilitate sector-wide change. However, the risk analysis was too cursory.

In both Zambia and South Africa, projects assumed legislative reforms that were seriously delayed in practice. The projects were designed as if this legislation was already in place. Assumptions of rapid legislative change in most African contexts are unlikely to be realised and this was a flawed design assumption. More generally, the timelines for all the African projects except the MAC were unrealistically short, leading to significant overruns. There is a crucial need for risks and assumptions to be carefully and realistically addressed in project design and approval.

4.3. Summary Lessons

The interventions under review span a wide range of modalities. The projects and programmes are clearly in line with important elements of the 1994 VET policy. Nonetheless, the role of the informal sector and small and micro enterprises are less evident in some of the newer African programmes than in the design of the older Asian interventions. Moreover, the African interventions do not appear to have given sufficient thought in the design phase to the complexity of the shift towards a more systemic approach. As a result, risks are underestimated; assumptions are over-optimistic; and time-lines are unrealistic.

More seriously, it can be argued that the two largest African interventions show little operationalisation in their designs of Danida's overall objective of poverty reduction and the cross-cutting policy concerns, e.g. the gender equality objective. In the design of the Malawi Sector Programme Support, however, there was strong emphasis on reaching a whole range of NGO and community training provision within the national framework.

As Danish support moves towards the sector programme approach, it will be important to see such support as part of a wider package of donor assistance. This should lead to lessened concerns about the particular input of Denmark if overall Danish goals are being met across programmes as a whole. UCEP provides a powerful miniature illustration of the virtues of this approach.

5. Implementation and Management

This chapter focuses on the efficiency of the implementation process. Three key areas are discussed, namely the overall implementation of the VET projects during the 1990s, the quantity and quality of project inputs, and finally issues related to management at the national level and in Danida.

Danida VET projects and programmes were very different in terms of objectives, complexity, and size. It is important to make a clear distinction between implementation of organisational and system development and the more conventional training centre support.

5.1. Overall Implementation of the VET- System Reform

The implementation of national training system reforms has generally been difficult and protracted. Three key phases can be identified: system design and approval, start-up, and implementation of reform objectives. In Tanzania and Zambia, from the beginning of the reform process, it took four to six years to establish new training authorities. A number of factors undermined effective start-up in both countries. By early 2002, VETA in Tanzania was only just moving towards the full implementation of reform objectives, while TEVETA in Zambia was still struggling to become even partially effective.

While the reasons for poor implementation are country-specific, they relate to the level of commitment and capacity of key stakeholders to implement system reform. The politics of organisational change are complex and invariably problematic. The following discussion focuses on three key areas critical to the processes of implementation and management, namely product champions, winners and losers, and incentives to change.

Product champions: Comprehensive organisational change requires committed stakeholders – in this case, the government and responsible parent Ministry, Danida and the other major donors in the VET sector, employers and other key end-users, and the management and staff of the newly created organisation(s). In Tanzania, the key donors (Sida and Danida) in the heavily donor-dependent VET sector were, from the outset, strongly united in their resolve to support the establishment of a new national training authority (NTA) to be funded by a training levy on enterprise payrolls. This enabled the new VET Act to be enacted relatively easily and the new NTA to be established soon thereafter. In contrast, Danida was the only major ‘product champion’ in support of organisational change in Zambia. Other key stakeholders were either ambivalent or lukewarm in their support or directly opposed to all or some key aspects of the reform process. Unlike Tanzania, overall donor involvement in the VET sector had been considerably lower and thus donors had less direct leverage with the responsible Ministry. Furthermore, donors themselves had divergent views about what should be done. The role of the World Bank was particularly controversial. In part, this lack of coordination was the consequence of donors jockeying for position and influence in the VET sector.

In both countries, the change process was too donor-driven, which seriously affected national participation and ownership. In contrast, in South Africa, while numerous

donors were supporting the VET sector, the responsible Ministry had a clear vision of what should be done and remained firmly in control of the reform process. Danida supported small pilot projects that were closely integrated with the overall process of piloting new learnerships and other training services.

Winners and losers: There are always winners and losers in every process of organisational change. In Zambia, the establishment of the new NTA was fiercely contested by the government department, which it was to replace. A common local saying in Zambia is that 'no fish can be expected to drain its own pond'. Certainly, Danida should have been more proactive in anticipating this opposition. Although senior management in the responsible Ministry was broadly supportive of the reforms, decisive action was not taken to neutralise opposition. Once TEVETA was established, the Ministry itself started to question its overall roles and responsibilities, which has seriously undermined TEVETA's operations. At the centre level also, staff have opposed organisational reforms because they directly threaten their job security and have resulted in lower incomes.

In Tanzania, on the other hand, direct opposition to the creation to VETA was quite limited because government accepted that it could not properly fund these training centres. In addition, most of the management, instructors, and other staff of the government department were recruited as VETA employees with much enhanced conditions of service. The main losers were employers who now had to pay a new training levy,³ but they were unable to mount an effective political campaign.

Incentives to change: Getting incentives right is essential for all organisational reform. In Tanzania, the commitment of VETA management and staff to implement major reforms and generally improve the efficiency and effectiveness of training was weak. This was mainly because they had assured funding, faced little or no serious competition from other training providers, and there was no organisational reform at the training centres i.e. at the level of direct service delivery. Consequently, inertia has been the major problem. In marked contrast, TEVETA management in Zambia has been under real pressure to show that the new organisation can deliver quality services. The same is also true at the pilot centres. The new Management Boards are functioning relatively well and are prepared to hire and fire managers and instructors.

The sequencing of donor support is also a key factor. In Tanzania, Danida assistance for the construction and equipping of new training sectors was contingent upon the passing of the VET Act and the establishment of VETA. It was, therefore, both an incentive and a reward for supporting the reform process. In Zambia, however, support for the pilot centres preceded these key steps in the reform process. And, in the meantime, other sources of donor funding became available that were not contingent on the implementation of the reform process as it was intended in the mid-1990s.

3) *2% of their total payroll budget, which is high by international standards.*

5.2. Overall implementation of the support for Vocational Training Centres

Implementation at the centre level was very much more straightforward. By the early 1990s, Danida had acquired considerable experience in the construction and equipping of vocational training centres in three of the case study countries (Bangladesh, India, and Tanzania) and elsewhere. With the exception of Zambia, there was a high degree of project ownership by centre management and teaching staff. Nevertheless, project extensions and budget over-runs were common. This was mainly due to a combination of unrealistic objectives, management shortcomings, and delays in the provision of project inputs. The main cost implication of project extensions was with respect to technical assistance and operational budgets.

Project implementation at the centre level was more complicated when it was itself part of a more far reaching, longer-term process of organisational change. Centre development in Tanzania was a separate project component and was therefore largely unaffected by system-level organisational reforms. In Zambia, however, support for the two pilot DSTCs was directly linked to the establishment of new Management Boards. Consequently, project implementation should only have proceeded once these Boards were functioning. However, because of the long delays in introducing the new TEVET Act, it was only possible to establish the Boards in early 2000, when the project was nearing completion. Even with a one-year extension, this meant that not only had most project inputs already been committed, but the implementation of the main organisational change objectives was concentrated in too short a period of time. A slower, more tactical approach would have avoided some of the serious implementation problems that arose, in particular those related to staff resistance to the change process.

5.3. Project Inputs

The following discussion summarises the main findings concerning the provision and utilisation of the main project inputs, namely buildings and equipment, technical assistance, staff development, and operational funding.

Buildings and Equipment

With the exception of the PSDP in South Africa, the provision of physical resources (buildings, equipment, teaching aids, books and vehicles) was by far the largest input in all the reviewed VET projects. There are numerous implementation issues related to this type of input, in particular selection, procurement and installation, training, and utilisation. This was largely the responsibility of the Danida adviser, who was employed at each DSTC. With such close management by experienced and well-paid staff, implementation of this all-important project component was generally good. With the exception of Zambia, where the advisers were not employed to manage equipment, nearly all of the equipment provided by Danida was fully operational in early 2002. Equipment maintenance and repair was exceptionally good in Bangladesh and India.

There are a number of recurring issues around project-related equipment utilisation:

Staff competence: The ability of instructors to utilise the equipment provided is an important issue in countries where instructors had little previous exposure to similar

kinds of equipment. This heightens the need for more intensive training by equipment suppliers and local personnel, including, where appropriate, Danida advisers themselves.

Staff commitment: Staff motivation to utilise the equipment as effectively as possible was generally good, but varied between countries. In Tanzania, it was particularly high in those trades which had the greatest scope for income generation through production and lowest in countries (such as Zambia) where little income generation in this area occurred.

Full participation of staff in the selection of equipment is essential.

Procurement: Procurement of equipment and books was very slow in a number of countries.

Maintenance and repair: Service agreements and warranties for equipment procured in Europe were sometimes difficult to enforce in overseas locations.

Student perceptions: Improvements to residential facilities and greater availability of basic learning materials were frequently more highly appreciated by students than new equipment.

Technical Assistance

The following discussion focuses on the size and quality of technical assistance (TA) inputs, which include both long-term advisers and short-term consultants. The overall role of Danida advisers in project management is dealt with separately in section 5.5.

Three of the VET projects evaluated had sizeable inputs of long-term technical assistance. The largest concentrations of TA were in India and Tanzania. Fifteen Danida advisers were employed for a total of 52.5 person years in Tanzania between 1990 and 2000. 10 advisers were employed for 40 person years in India between 1988-2001. All advisers were Danish and male. Although Danida policy is to rely less on long-term TA, there was no significant downward trend in the deployment of long-term advisers during the 1990s, except in Tanzania⁴. The trend among other donor agencies has been to reduce considerably the amount of long-term TA on the grounds that resources are better spent on other inputs, which have a greater direct impact on the size and quality of project outputs.

Danida has also used a relatively large number of short-term TA (consultants) in VET. Considering only the years 2000 and 2001 more than DKK 25 million was spent on consultants, as indicated in Table 5.1.

4) *The report "Advisers in Danish Bilateral Development Co-operation" by Nils Boesen (2001) estimated that the deployment of Danida advisers increased by about 10% in real terms between 1994 and 1999. Advisers in Danish Bilateral Development Co-operation, August 2001*

Table 5.1 Overview of VET-related Short-term Contracts in 2000 and 2001

	2000	2001
No. of short-term contracts	23	23
Contract value (DKK million)	15.7	9.4
Man-months of short-term consultancy ¹⁾	105	63

1) Man-months are calculated as contract value x estimated share of fee (75%) divided by estimated average hourly rate (DKK 800) x hours per month (139.8)

Source: Data provided by Danida, June 2002

The vast majority of short-term consultants contracted in 2000 and 2001 took part in preparatory work associated with new VET-programmes in e.g. South Africa, Eritrea, Zambia and Malawi. The consultants were used to identify, formulate and appraise the new programmes. Other consultants were contracted, e.g. to work in Tanzania, with a view to supplement the competencies of the long-term TA with specialist knowledge within certain narrowly defined areas.

Although TA may have accounted for 25-30% of total costs for VET projects, there is little or no systematic and robust evidence concerning the quality and overall performance of these personnel. The fact that hardly any reference is made to this issue in project reviews and other documentation is surprising given the fairly pervasive international criticisms about the role and effectiveness of TA during the late 1980s and 1990s.

Given the limited time and documentation available, it was difficult for the country evaluation teams to make robust assessments of TA performance. However, in at least some countries, it is clear that the quality of both long-term and short-term TA was not uniformly high. In Tanzania, for example, the performance of around one-third of the long-term advisers, who were employed from the mid 1990s onwards, was consistently rated by interviewees as less than satisfactory in key areas. Only one-third were considered to be excellent.

Similar concerns were expressed about the overall competence of some of the short-term consultants in three out of the five case study countries, namely South Africa, Tanzania and Zambia. In South Africa, Danish specialist support to projects was not always perceived as contributing added value above that which can be brought by national personnel. The Project Completion Report for the STED project in Zambia notes that, 'extensive use of consultants was an efficient method for solving specific tasks'. However, managers and teaching staff who were interviewed at the two pilot training centres mentioned several examples where the performance of both Danish and national consultants was sub-standard.

With the advent of SPS, the type of technical assistance expertise needed to support effectively project objectives shifted from support for individual centre development with its primary emphasis on technical and basic management skills to far-reaching system-wide organisational change and the development of VET policy. The latter activities require altogether different types of competency, which are more political and manage-

rial than they are technical. The role of the Chief Technical Adviser is critical for the implementation of SPS and for facilitating the reform process. The CTAs in the two countries with SPS had little or no experience in the management of major organisational change. Furthermore, in Tanzania, targeted support for organisational development remained relatively limited until the late 1990s. More generally, the report “Advisors in Danish Bilateral Development Co-operation” also concludes that Danida advisers were ‘most effective when contributing to achievement of operational project goals and less effective in institutional development’.⁵

Staff Development

A considerable amount of staff training, both in-country and overseas was provided as part of most VET projects (170 courses in India, 312 in Zambia). However, the cost of this training was usually met from other budgets, in particular staff who visited Denmark under the auspices of the Danish Fellowship Centre and local and regional training funded from Embassy budgets. In Zambia, this amounted to well over DKK 4 million. The payoffs to this training have to be substantial and long lasting in order to justify this level of expenditure.

In the absence of thorough training needs assessments, it is not possible to reach robust conclusions about the cost-effectiveness and overall impact of these staff development programmes. Interviews with instructors indicate that some courses were considerably more useful than others.

Well-organised study tours especially to other developing countries were generally rated quite highly, especially for the MAC project in South Africa. Training has to be part of well-conceived human resource development strategies. This was not always the case with the result that the utilisation of the knowledge and skills that were acquired has, at times, been unsatisfactorily low. In Zambia, for example, well over half of the staff who attended Danida-funded courses was subsequently retrenched.

Only one project (MAC in South Africa) made any concerted effort to provide HIV/AIDS awareness training to staff during the 1990s. A two-week AIDS prevention course for both staff and students was delivered at the main VETA training centres in Tanzania in 2001.

Operational Resources

The 1994 VET policy states that ‘in exceptional cases’ projects can fund the recurrent costs of supported institutions or system. However, this should ‘not exceed 40% of recurrent expenditure over the programme period’ and, furthermore, ‘a precondition for this provision is that the demand for trained people has been firmly established’. During the 1990s, project funding of operational expenditures in the VET sector was neither exceptional nor was this demand ever convincingly established. In Zambia, nearly 70% of TEVETA’s recurrent expenditure is currently funded from SPS. In Bangladesh around 95% of recurrent expenditure is financed by the donor agencies, including Danida. Nevertheless, it is clear that without this operational funding, project implementation would have been seriously affected in most countries. This was particularly the case in Bangladesh and Zambia where the availability of non-project funding was severely limited.

5) *Advisers in Danish Bilateral Development Co-operation, August 2001*

5.4. Management at National Level

In common with all projects and programmes, efficient and effective project implementation in the VET sector hinged to a large extent on managerial competence and commitment in the supported organisations. This was variable both between countries and in the same country over time.

- High management turnover was a key factor in Bangladesh and South Africa. There was 100% turnover among UCEP managers during 2000 and 2001. In India, on the other hand, the low turnover of managers in most of the IDTRs ensured project continuity over a long period.
- The recruitment of a high-powered senior management team is particularly important for newly created NTAs. In Tanzania, too many of the 'old guard' were employed by VETA, which seriously affected the overall process of organisational change. A new management team was only appointed in late 1998, nearly four years after the establishment of VETA. Although the recruitment process in Zambia was very protracted, a new management team was eventually appointed.
- Management crises, many of which were related to allegations of corruption, seriously affected project implementation in several countries receiving Danish VET-support.
- The creation of semi-autonomous NTAs enabled modern management systems to be introduced.
- The quality of training centre management was also variable. It was particularly weak at the two pilot training centres in Zambia, which meant that the new Management Boards and Danida advisers had to take on too much of day to day management responsibilities.

5.5. Management at Danida Level

How efficiently did Danida manage its VET projects during the 1990s? As discussed earlier, there was an overriding preoccupation with ensuring tight control of Danish financial and physical resources. While, in general, this was achieved in the five case study countries, it meant that Danida advisers had divided loyalties and responsibilities. Their primary loyalty lay with the project and the Danish government rather than Ministry and their host institution. This tended to undermine local participation and ownership objectives, which became increasingly important with the introduction of SPS and the adoption of the new Danish development policy (*"Partnership 2000"*).

In some projects (especially in Zambia and, to a lesser extent, Tanzania), the advisers became too directly involved in day to day management of their host institutions. In Zambia, their active participation in the newly created national and centre boards was also problematic and, at the pilot centres, they became scapegoats for staff opposition to the major organisational reforms and related management actions, which were rapidly implemented in 2001. The advisers should have restricted themselves to their roles as

advisers. The level of ill feeling among staff towards the advisers seriously reduced their effectiveness.

Given the size and complexity of Danida's assistance to the VET sector, it is essential that there is adequate TSA capacity in Copenhagen to plan and monitor policies and programmes. With only one technical adviser in post at any one time during the 1990s, it was difficult to perform these functions effectively. Capacity limitations at the Danish Embassies also seriously reduced the role as "lead donor" that Denmark could have played in several countries.

5.6. Summary Lessons

Equipment procurement and commissioning in large projects is complex and high levels of participation and ownership are essential. Wherever possible, arrangements should be made for machinery and other equipment to be serviced by local firms. Generally, more attention needs to be given to equipment training.

Danida advisers with strong management backgrounds should be recruited for projects, which are primarily concerned with major organisational change. Closer monitoring and appraisal of all technical assistance personnel is essential. This also includes consultants used for equipment procurement, installation and training as well as consultants involved in project identification, appraisal and reviews.

Many VET projects relied too heavily on costly long-term Danida advisers. Much greater use should be made, therefore, of developing country expertise, which is not only much cheaper, but is likely to be more sensitive to local political and cultural factors. The continuous presence of Danish personnel in order to prevent the possible misappropriation of project funds and other resources may not be necessary with proper financial and other resource control systems in place.

Project-related training must be part of a well-conceived human resource development strategy for each supported organisation. Training needs assessment should be undertaken as well as training impact assessments. Study tours are potentially very useful, especially to countries that have similar training environments. Study tours to Denmark or other advanced industrial countries are unlikely to be cost-effective. The cost of all overseas training should be fully incorporated into the project document.

HIV/AIDS poses a serious threat to staff development objectives, particularly in South Africa and Zambia. HIV/AIDS impact assessments should be regularly undertaken in order to monitor the impact of the epidemic in both staff and students. Data on key staffing and other performance indicators should be regularly collected. This includes staff sickness/absenteeism and mortality and student dropout by reason.

Management capacity constraints were consistently underestimated. System and organisational development projects should ensure that top managers are recruited at the start of the project and intensive management training provided.

6. Outcomes and Effectiveness

This chapter assesses the extent to which the output objectives of Danida assistance to the VET have been achieved: Two types of outcomes will be evaluated, namely the system level outcomes and the service delivery outcomes at the training centre level.

6.1. System Level Outcomes

During the 1990s, the focus of Danida's interventions in the VET sector shifted to the design and development of new vocational training systems, particularly in SSA. The key output is, therefore, the extent to which efficient and effective national training systems have been established at different organisational levels: head office, regional and training centre. Although based on the same broad design principles, the actual outcomes of the system design process were markedly different from one country to another. This highlights the fact that system design is always country specific.

Danida began to become heavily involved in the design of new national training systems in sub-Saharan Africa in the early 1990s. By the end of the decade, this involvement had extended to Eritrea, Malawi, Tanzania, Zambia, and to a lesser extent, South Africa. Not only was this a new area of assistance, but it was considerably more complex than the traditional support to individual training centres. Consequently, this was very much a learning-by-doing process. It is not entirely clear to what extent Danida learned important lessons from its first experience with system reform in Tanzania, but certainly the reform of the training system in Zambia was better conceived.

In broad terms, the system reforms in both Tanzania and Zambia were based on sound principles and goals. The key objectives were the creation of national training authorities, assured funding, demand-driven training provision, and the creation of competitive training markets. However, the translation of these basic design principles and objectives proved to be problematic in some countries. For example, the main design weakness in Tanzania was the failure to make a clear separation between the roles of VETA as the overall regulator and funder of the training system, on the one hand, and the actual provision of training services, on the other. The decentralisation of training provision was also misconceived. Finally, there was no clear vision supported by well-defined objectives with regard to the role of the national training authority in relation to poverty alleviation and how, in particular, micro-enterprises could be more effectively served. Little or no thought was given to the development of organisational and funding arrangements that would have ensured a greater focus on meeting the training needs of these mainly disadvantaged groups.

In marked contrast, the reform of the vocational training system in Zambia was generally well conceived. In particular, the roles of the national training authority with respect to policy, regulation, and funding and facilitation of training services are properly defined. Unlike in Tanzania, neither the government nor the main donors were looking to use the establishment of a national training authority as a way of reducing their funding for a particular network of government training institutions. This meant, therefore, that a clear separation could be made between the roles of national training authority with respect to policy, regulation, funding and the promotion of training service delivery

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and actual provision of training services. It also focused on comprehensive organisational reform at the training centre level. As discussed earlier, the main problem with the reform process in Zambia was translating the broad reform objectives into law. The TEVET Act did not elaborate in sufficient detail key areas of service delivery and the organisational relationships with its key stakeholders, including its parent Ministry.

Although new national training authorities were established in a number of countries, limited progress was made in developing effective and efficient national training systems during the 1990s. In large measure, this can be attributed to the shortcomings in system design discussed above and implementation problems. For example, system outcomes were minimal in Zambia because the enabling legislation did not become effective until late 1999. The flaws in system design made it difficult to create a new organisational culture in Tanzania.

With respect to governance, new national training bodies were a considerable improvement on the purely advisory boards, which they replaced. However, most did not function as effectively as envisaged. Ensuring full stakeholder participation has been a major problem. In Tanzania, employer representation was particularly limited. The interests of the poor and other disadvantaged groups were not adequately represented. Board membership in all countries has been strongly influenced by the principle of tripartism. However, this may not be appropriate in low-income countries, where less than 10% of the work force are in wage employment in the formal sector and the poor predominate.

Organisational reform also resulted in mixed results with respect to funding and decentralisation. The introduction of the training levy in Tanzania transformed the funding situation. In Zambia, the failure to introduce a training levy meant that TEVETA remained heavily donor dependent. The lack of independent funding made it difficult for the new training authority to establish effective organisational autonomy.

Generally speaking, decentralisation has proved to be far more complex and protracted than originally envisaged. Progress with the regional decentralisation of training services was particularly slow in Tanzania. In Zambia, decentralisation at the centre level was implemented quite successfully, although centres continued to complain about excessive intervention by the parent Ministry.

It has also been difficult to create more demand-driven training systems. This is due to a number of reasons including poor labour market information system, limited employer involvement, and continued focus on traditional pre-employment training. Micro-enterprises and the poor in general do not have the means to pay for short courses. Consequently, they cannot usually translate their training needs into effective training demands.

Finally, only limited progress was made in introducing new management systems and improving management capacity during the 1990s. Labour market information systems are essential in order to ensure that training services meet priority needs among key target groups and are delivered cost-effectively. However, the planning capacity to fulfil this key function remained largely undeveloped during the 1990s. Danida funded some tracer and other labour market studies, but due to basic flaws in survey design, most of these were of little operational value.

The key findings and lessons concerning system reform from the World Bank VET evaluation are broadly in line with Danida's own experience in this area. The World Bank's policy paper on VET focused heavily on support for national training authorities. However, only one out of the 16 projects where this was a major objective was deemed to be a success. A key issue has been the 'difficulty of maintaining political commitment to reforms under rapidly changing political circumstances, including frequent change of Ministers'. The report concludes that 'buildings and equipment are easier to support than changes of organisation and management, yet the physical aspects of disbursements for them often receive the most attention during supervision'.⁶

6.2. Centre Level Outcomes

A key objective of all VET programmes and projects supported by Danida during the 1990s was to improve training outputs at specific training centres. The following discussion summarises the key findings with respect to training inputs, overall size of the training effort, training productivity and income generation. However, it is important to point out that given that most VET projects did not have quantitative enrolment and quality targets, there are no clear output objectives against which project performance can be measured.

Training Inputs

The design of individual training centres is much less complex than designing entire national training systems. By the 1990s, Danida already had considerable experience building and equipping workshops and other training facilities in developing countries. By its very nature, vocational training is capital-intensive. This has meant that the provision of equipment has been the key input in most projects. With the exception of Zambia, the equipment supplied by Danida has been relatively well-utilised.

As part of the tracer surveys, graduates were asked to comment on different aspects of service provision. In Tanzania, for example, most respondents were satisfied with the adequacy of the equipment and other facilities at the DSTCs. There was also a marked improvement in satisfaction levels among Chang'ombe graduates between 1995 and 2000, which suggests that the Danida financed rehabilitation of the centre had a tangible impact on training quality. In marked contrast, satisfaction levels with equipment and facilities among LTTI graduates in Zambia fell from 80% among 1995 graduates to 41% among the 2000 graduates (see Table 6.1).

6) World Bank. 2000. *Sub-Saharan Africa. Regional responses to Bank TVET policy in the 1990s*. Washington D.C. World Bank. Mimeo.

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Table 6.1 Percentage of Graduate Respondents in Tanzania and Zambia who agreed with training statements

	TANZANIA				ZAMBIA	
	Chang'ombe		Iringa		LTTI	
	1995	2000	1995	2000	1995	2000
TRAINING DELIVERY						
Most instructors were committed	98	95	96	99	80	86
Most instructors were competent	96	95	95	100	60	66
Equipment and other facilities were adequate	77	91	91	95	80	41
Curriculum was relevant and up to date	87	81	96	98	80	76
ADEQUACY OF TRAINING						
Necessary skills for occupation acquired	96	95	97	100	60	83
Satisfied with theoretical knowledge acquired	83	90	95	98	80	79
Satisfied with practical skills acquired	90	94	97	98	40	69
Satisfied with computer skills acquired	67	67	71	83	20	14
Satisfied with analytical and problem-solving skills	81	79	97	99	40	62
Satisfied with managerial and entrepreneurial skills	79	82	95	98	0	48

Source: Tracer Studies carried out as part of this evaluation. See Country Studies Reports

Teaching and Support Staff: The development of competent and committed managers and instructors was a key output objective of all VET projects. The original intention of organisational reforms in Tanzania and Zambia was to weed out sub-standard managers and instructors, improve pay and conditions of service and modernise the out-dated human resource management systems, which had so seriously undermined performance in government-based training institutions. Project documentation is generally very positive about human resource outcomes and, in particular, the impact of project-related staff development activities. However, human resource outcomes were very variable during the 1990s. For example, in Bangladesh it appears that there was a definite improvement in instructor quality, but at the IDTRs in India quality may have declined because of a trend towards reliance on inexperienced instructors. Staff turnover was high in both countries mainly because of low pay and poor career progression. In Tanzania, almost all of instructors were re-employed after VETA was established in 1995. Thus, at that time an important opportunity was missed to get rid of staff who had consistently under-performed. National employment security legislation made it very difficult to dis-

miss problem staff. In 1999, however, Danida financed the retrenchment of 140 under-performing staff members of VETA.

In Zambia, the new management boards at the pilot training centres comprehensively revised pay and conditions of service. Although many staff had to be re-appointed, permanent contracts were replaced with short-term contracts. Salaries were increased almost threefold. However, the abolition of the parallel private student scheme meant that the net incomes of most instructors declined. Lower pay coupled with heightened job insecurity resulted in generally lower staff motivation.

Over 90% of graduate interviewees from the two surveyed DSTCs in Tanzania were satisfied with both the overall competence and commitment of their instructors. However, in Zambia, over one-third of both year groups were not satisfied with the competence of their instructors. (see Table 6.1).

There was little change in the gender profile of staff at most DSTCs, which continued to be male-dominated. The exception is the MAC project in South Africa where 65% of the advisers were women. A target of 60% had been established. In Bangladesh, around 30% of instructors were female with some positive discrimination at recruitment

HIV prevalence rates remained well under 1% in Bangladesh and India during the 1990s. However, by 1999, they were 8% in Tanzania, 21% in Zambia, and 19% in South Africa. AIDS-related mortality among managers and instructors was negligible in Tanzania. In Zambia, it peaked at around 3% of teaching staff in 1999, but appears to have fallen appreciably since then. No information is available for AIDS-related mortality at training centres in South Africa.

Curriculum and Learning Materials: Curriculum reform was a major objective during the 1990s. Traditional trades curricula in most countries were out-dated and thus largely irrelevant to training needs in both the formal and informal sectors.

Danida supported the development and piloting of competency-based modular training (CBMT) systems or courses in three of the five case study countries. The experience of the 1990s showed that the design of CBMT is complex and takes considerably longer than originally anticipated. In Bangladesh, the curricula of 14 trades were completely revised and the new learnerships in South Africa are based on CBMT. Curriculum reform has been particularly comprehensive in Tanzania. The benefits of CBMT are recognised throughout the world. Students, trainers and employers are attracted to CBMT because it focuses on the acquisition of practical skills, it is flexible and fully consistent with demand-driven training provision, it facilitates multiple-skilling, and it is not time-bound. Training is generally shorter. There is a strong expectation that CBMT will enable informal sector and the poor to access high quality training services. However, concerns remain about the feasibility of introducing such a completely new approach to learning and teaching in the VET sector.

Training Quality

Very sizeable improvements in the relevance and quality of training were expected at the DSTCs. While all project documentation states that training quality did improve as a result of Danida assistance, little or no robust evidence is presented to support these statements. Without a proper analysis of trends in dropouts, examination pass rates, employment patterns, student, instructor and employer assessments, and other direct

and indirect quality outcome indicators, these observations cannot be properly substantiated. Furthermore, many of the improvements in training inputs only began to impact on the training process from the late 1990s onwards.

The key findings of this evaluation concerning trainee quality are summarised under the following headings: student quality, student and employer assessments, and examination performance.

Student Quality: Trends in the overall quality of student intakes are a key factor. With better-educated students, dropout rates will tend to be lower and examination pass rates higher. However, most students from poor backgrounds are less likely to meet higher academic entrance requirements.

The status of VET continued to remain low in most developing countries, particularly in SSA during the 1990s. Students and parents prefer to study at academic secondary schools, which means that training centres generally attract students who have done less well in their school leaving examinations. Nevertheless, the educational level of students admitted to the DSTCs in Tanzania and Zambia increased significantly during the 1990s. In India, students admitted to the IDTRs are also relatively well educated with a minimum entrance requirement of 10 years of primary and secondary education. As a result of the rapid expansion of primary and secondary education in most countries, the educational attainment of student intakes increased appreciably during the 1990s. In Bangladesh, students continued to be recruited from UCEP's own primary schools for underprivileged boys and girls.

Student and Employer Assessments: Students at the evaluated DSTCs were generally satisfied with the overall quality of their training. However, some weaknesses were identified. For example, the majority of 1995 LTTI graduates in Zambia were not satisfied with the practical, computer, analytical and problem-solving, and managerial and entrepreneurial skills that they had acquired during their training (see Table 6.1). With the exception of IT skills, satisfaction levels are considerably higher among the 2000 graduates, which suggests that Danida assistance had some impact on student quality.

In Bangladesh, most employers are very satisfied with UCEP technical school graduates. They have the necessary knowledge and practical skills and a strong sense of discipline and commitment to work. In India, out of 15 companies who were surveyed in 2000, 10 (67%) indicated that they were satisfied with the graduates from the Bhubaneswar CTTC. In Tanzania, employer surveys conducted in the early-mid 1990s showed that satisfaction levels with VETA graduate apprentices were also quite high. However, surveys which cover the new outputs from the DSTCs since 1997 have not been undertaken. This is important because both the quality of student intakes (more secondary school leavers) and the duration of training (only one or two years compared to four years under the now discarded apprenticeship training model) changed appreciably from the mid-1990s onwards.

A small survey of employers in the Copperbelt in Zambia in 1999 found that 80% of NORTEC graduates, who were employed, were not performing adequately due to poor training. The following key problem areas were identified by graduate respondents: learning materials not available, lack of industrial attachments, and poor equipment. Lecturer respondents also highlighted the same issues as well as the low calibre of stu-

dents. Employers were particularly concerned about lack of computer skills and the very limited practical experience of graduates.

Examination Performance: Pass rates in terminal examinations are a key output performance indicator. In Bangladesh, examination pass rates are reported to have remained at 100% during the 1990s compared to an average of 70% in equivalent government training centres. In India, approximately 85% of IDTR graduates successfully graduated at the end of their four-year training. Only 42% of the traced 1995-97 graduates from the two DSTCs surveyed in Tanzania had sat for the lowest (Level III) trade-test qualification, although pass rates were over 90%. Only 10% sat for the highest, Level I trade-test.

Overall Size of the Training Efforts: Enrolments and Graduates

Table 6.2 shows total pre-employment enrolments at the DSTCs during the 1990s. Enrolments in 2000 were small in absolute terms and relative to school leaver populations in all five countries. Only the IDTR and the PSDP in South Africa had formal enrolment targets, which were exceeded in both projects. Enrolment growth was most impressive at the three UCEP training centres in Bangladesh: enrolments were, on average, four times larger during the 1990s than during the 1980s. In Zambia, enrolments declined appreciably for the following reasons:

- New management boards disbanded the informal parallel student schemes, which resulted in de facto double shifting.
- Large increase in fees and changes in fee payment arrangements reduced intakes and increased dropout.
- Intakes were deliberately reduced in order to improve the financial position of the pilot centres because of the high level of student subsidy, to improve training quality, and free up time for lecturers to establish links with industry and design and run short courses.

There was strong excess demand for the limited number of training places available in Bangladesh, India and South Africa, but enrolments were below capacity in some trades, mostly construction-related, in Tanzania and also Zambia.

Student Dropout: High student dropouts can seriously undermine the overall cost-effectiveness of education and training projects. In Bangladesh, dropouts fell from 9% in 1990 to 3% in 2000. Total dropouts over the four years of the four-year diploma course at the IDTRs in India averaged 15-17.5% during the 1990s. Most of these dropouts were female students. The dropout rate for the first phase of the PSDP in South Africa was 11%. Dropout rates at two of the DSTCs in Tanzania were over 15% in 2000, but only 5-6% at the other two DSTCs. In some trades, these rates were over 30%. No data is available for the pilot centres in Zambia, but dropout rates increased very significantly from the late 1990s onwards as a result of large increases in student fees.

Short Course Enrolments: During the 1990s, Danida and its national partners increasingly emphasised the importance of short course training provision in order to ensure that training centres became demand-driven and also more financially self-reliant. The IDTRs in India managed to expand short course enrolments nearly tenfold during the 1990s (see Table 6.2). By 2000, the six centres offered 60 types of mainly worker upgrading courses. In contrast, the DSTCs in Bangladesh, Tanzania and Zambia were

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not able to expand short course enrolments. Most instructors/lecturers in Zambia did not have enough practical experience to run courses for industry. Financial incentives for teaching staff to organise and deliver short courses were inadequate in both these countries.

Table 6.2: Total Annual Pre-employment Intakes and Short Course Enrolments at DSTCs

Country	Project	Period	Number Centres	Total Annual Intakes		% Female Enrolment		Short Course Enrolments	
				Start	End	Start	End	Start	End
Bangladesh	UCEP	1990-2000	3	494	2040	17	32	0	140
India	IDTR	1995-2000	6	883	1212	7.6	2.4	312	2848
South Africa	PSDP	1998	2	255	na	na		0	0
Tanzania	VETA	1997-2000	3	585	807	23.2	28.1	1176	1086
Zambia	STED	1997-2001	2	1238	545	22.3	15	na	Na

Source: Project Documentation and field data for Country Case Studies

Notes: Tanzania: Dodoma, Iringa and Mbeya only.

South Africa: Phase I only.

Training Productivity

Training quality and enrolments must be also assessed in relation to the total costs of training. Table 6.3 presents annual recurrent unit costs for the DSTCs in the five case study countries. In real terms, unit costs declined by at least 40% in Bangladesh and nearly 25% in Tanzania. However, they increased markedly in Zambia. The cost of VET is high in all five countries in relation to GDP per capita. This is particularly the case in India, South Africa, and Tanzania. In Tanzania, the recurrent unit cost at VETA training centres was 54 times greater than the unit cost of primary education.

Table 6.3: Recurrent Unit Costs at Danida-supported Training Centres ('000 Local Currency Units, Current Prices)

Country	Project	Period	Currency	Recurrent Unit Cost		% per capita GDP	
				Start	End	Start	End
Bangladesh	UCEP	1990-2000	Tk	14	14	na	69
India	IDTR	1990-2000	Rs	na	324	na	152
South Africa	PSDP	1998	R	34	72	166	347
Tanzania	VETA	1990-2000	TZS	1105	1086	953	484
Zambia	STED	1997-2000	ZMK	248	713	52	76

Source: Project Documentation and field data for Country Case Studies

Notes: Zambia: NORTEC only. South Africa: Phase I and II

With regard to overall cost-effectiveness, there is insufficient data available to establish trends in costs per unit of output for each of the VET projects under scrutiny. Where completion and/or examination pass rates are relatively low then this significantly reduces the cost-effectiveness of project-related training. In Tanzania, for example, given that only 40% of graduates passed the lowest level trade test, the cost per trade test passed in 2000 was nearly TZS 3.0 million (assuming an overall dropout rate of 7.5%). This is 12 times GDP per capita.

VET centres generally have low student-instructor ratios, which keep unit costs high (Table 6.4). Trainers, including most Danida advisers, want to keep class sizes small in order to maintain training quality, but there are strong management pressures to increase student numbers. Even so, apart from UCEP in Bangladesh, double shifting of students was not adopted during the 1990s at any of the DSTCs included in the country case studies. It was finally introduced in Tanzania in 2002. Management overhead costs are also high at some centres. In Tanzania, VETA head and regional offices absorbed 42% of total expenditure in 2000, which is excessive. This is symptomatic of the lack of strong incentives to minimise expenditure and keep unit costs as low as possible. The World Bank evaluation of its own VET projects also notes that 'efficient resource use was not given much priority'.

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Table 6.4: Student-instructor Ratios at Danida-supported Centres

Country	Project	Period	Student-instructor Ratio	
			Start	End
Bangladesh	UCEP	1990-2000	1:10-25	1:10-25
India	IDTR	1990-2000	na	18.6
South Africa	PSDP	1998	na	na
Tanzania	VETA	1998-2001	7	11.5
Zambia	STED NORTEC	1997-2001	na	12

Source: Project Documentation and field data for Country Case Studies

Notes: Tanzania: 1998: Iringa VETA only, 2001: 3 DSTCs

*India: Direct training staff (excluding supervisory and other support staff).
1504 person years of training*

Income Generation

For most VET projects, financial self-reliance was a key output objective during the 1990s. Increased financial sustainability was often closely linked to the decentralisation of training provision. Without a training levy, training organisations have no alternative but to rely on government funding, which most often is financed by external donors, or generate their own income. There are three main sources of income generation: student fees, short courses, and production.

Table 6.5 shows income generation as a percentage of total expenditure among the DSTCs in the five case study countries. Financial sustainability was not an explicit objective of the projects in Bangladesh and South Africa. UCEP's continued reliance on donor funding raises major concerns about its overall sustainability. VETA in Tanzania continued to be heavily dependent on income from the training levy. Only 12.5% of its total income was generated from other sources in 2000. In marked contrast, the IDTRs in India and the two pilot training centres in Zambia were forced to increase internally-generated income. The six IDTRs earned three-quarters of their required expenditure by 2000.

Table 6.5: Percentage of Internally-Generated Income at Danida-supported Centres

Country	Project	Period	% Income Generated	
			Start	End
Bangladesh	UCEP	1990-2000	0	5
India	IDTR	1990-2000	na	75.1
South Africa	PSDP	1998	0	0
Tanzania	VETA	1998-2001	10	12.5
Zambia	STED LTTI	1997-2001	na	64
	STED NORTEC	1997-2001	46	64

Source: Project Documentation and field data for Country Case Studies

Notes: Internally generated income includes student fees from long and short courses and production.

It is interesting to note that World Bank-funded vocational training projects in SSA have generally had limited success with respect to income generation. Training levies have not been successful mainly because Ministries of Finance did not pass on levy proceeds to the newly-established national training authorities. Nor were they able to generate much income from informal sector enterprises. The report notes that 'the failure of cost sharing in several projects suggests the need to rethink ways of accomplishing the objective for poorer clients'.⁷

Student Fees: The level of fees has major implications for student access to VET training provision. There is often a strong trade-off between increasing access to the poor and other disadvantaged groups and increased financial self-reliance. The pilot training projects in South Africa did not charge fees. Similarly, UCEP fees were deliberately kept as low as possible in Bangladesh (see Table 6.6). Up to 1996, IDTR students in India did not pay any fees. Since then, however, fees have been progressively increased. In Tanzania, even with assured levy funding, the combined tuition and residential fees was equivalent to 40-50% of GDP per capita during the 1990s. In Zambia, as a result of rapidly declining government support and reduced operational funding from Danida, student fees had to be increased dramatically in order to pay for the much increased salary bill. As a consequence, student intakes have fallen, dropouts have increased markedly, and young people from poor families cannot afford to enrol.

7) World Bank. 2000. *Sub-Saharan Africa. Regional responses to Bank TVET policy in the 1990s*. Washington D.C. World Bank. Mimeo.

6. OUTCOMES AND EFFECTIVENESS

Table 6.6: Student Fees at Danida-supported Training Centres (Local Currency Units, Current Prices)

Country	Project	Period	Annual Student Fee		% per capita Income	
			Start	End	Start	End
Bangladesh	UCEP	1990-2000	0	10	0	0.6
India	IDTR	1990-2000	0	6000	na	Na
South Africa	PSDP	1998	0	0	0	0
Tanzania	VETA	1990-2000	60,000	90,000	52	40
Zambia	STED LTTI	1997-2000	109,000	1,215,000	23	130
	STED NORTEC		374,000	1,650,000	79	177

Source: Project Documentation and field data for Country Case Studies

Notes: Both tuition and board

Short Courses: Only the IDTRs in India managed to generate substantial amount of income from short course provision during the 1990s. This type of training was not seen as being part of the training mission of UCEP in Bangladesh. In Tanzania, demand for short courses from industry and other major target groups remained weak. In addition, the financial incentives for teaching staff to run these courses were limited.

Production income: Vocational training centres world-wide have had very limited success in generating income from their own production activities (both production with training and separate production units). The outstanding success of the majority of IDTRs in India in this area is therefore exceptional. But, the trade-off between production and training activities became increasingly acute during the 1990s. At some centres, training had begun to be crowded-out by production activities.

The Project Completion Report for the STED project in Zambia neatly describes the problems that have been encountered with centre-based production activities. 'Mixing physical production (production units) with formal training and education while aiming to ensure adequate levels of both theoretical education and practical training is, at best, very difficult. The tendency is for production to take hold and for training materials to be used for such purposes. Thus students receive only theoretical training and financially the institute is slowly eroded as funds are diverted towards production. The establishment of production units presumes staff with experience of production. Such expertise is rarely available, or often dulled after many years of not working in a production environment. Quality assurance is also often a problem with students or mixing students with professional workforce. An associated problem is that of competition with companies who are the employers of graduates'.

In Tanzania, from the early 1980s, Danida became heavily involved in trying to develop a viable model of production-based income generation at the first of the DSTCs it supported. At its peak in the late 1980s, the production unit at the Dodoma training centre had six full-time Danida advisers plus volunteers. The initial success of the unit could

not, however, be sustained during the 1990s with the withdrawal of expatriate personnel and other resources.

6.3. Summary Lessons

The development of national training systems, which are well-conceived and based on a comprehensive reform of inefficient and ineffective public sector training provision, is highly desirable. However, system and institution building of this kind is a complex and politically high-risk activity, which is unlikely to reap sizeable benefits in the short-term.

Reform programmes are usually opposed by one or more of the major stakeholders in the training system. The greater the number of losers, the greater the political commitment required from government and donor partners.

Getting the incentive structure right is all-important for the overall success of system reform. Training organisations rarely become more efficient and effective simply by improving facilities, pay, and other inputs. It is only through the nurturing of truly competitive training markets and genuinely hard budgets that these organisations become demand-driven and cost-effective.

National skills development strategies should spell out clearly the different target groups and develop well-defined objectives and mechanisms for training services delivery. Given resource constraints, severe trade-offs between growth and equity objectives will be unavoidable.

The pace of system reform is very important. Too fast and the likelihood of producing an ill-conceived strategy with limited ownership by local stakeholders is high. Too slow and the whole process loses momentum as the losers consolidate their opposition and the key reforms are discarded or seriously watered down. Experimental pilot projects can be a valuable source of learning about development practice and design and delivery of relevant, cost-effective training services.

7. Impact

This chapter assesses the overall impact of Danida's assistance to VET during the 1990s in the following areas: individual employment, enterprise productivity and performance, poverty reduction, gender and a few other impact areas.

7.1. Overview of Assessment Activity

As Danida's 1994 VET policy paper correctly points out, it is essential to 'demonstrate that the training supported leads to enhanced productivity in the private and/or public sectors as well as increased individual employability with increased earnings'. The economic impacts on both individual and society level are often difficult to assess in a rigorous manner. Methodological problems of establishing what would have happened in the absence of training are particularly acute. Carefully selected control groups are required. And, where labour markets are very tight, training can merely displace someone else from the labour market with minimal net impacts on job productivity. Training on its own does not directly create employment.

Comprehensive impact assessments by independent researchers were not undertaken in any of the five case study countries during the 1990s. Consequently, project reviews and evaluations rely mainly on anecdotal and impressionistic evidence. Tracer surveys were commissioned in Tanzania and India, but these are of limited value for the purposes of assessing project impact. At least five tracer surveys were completed in Tanzania during the 1990s as part of labour market assessments to establish training priorities. However, with one exception, the tracing methodologies were flawed mainly because they were not based on large representative samples of graduates. Most tracer surveys located VET graduates who were working for medium-large enterprises in the vicinity of the training centre and other industrial areas. Since graduates, who were engaged in other activities (wage employed elsewhere, self-employed, unemployed, further education and training, migrated overseas), were not included, the samples of traced graduates were likely to have been seriously biased. Others surveys in Tanzania relied on advertisements in the media, which asked graduates from particular training institutions to identify themselves and complete a questionnaire. The one tracer survey for the Danish-supported IDTRs in India was based on a small sample of graduates who were located in pre-designated locations and who were already in wage employment. Again, therefore, selection bias could be a major problem.

Commissioned Tracer Studies

Tracer studies of graduates from DSTCs were undertaken in Tanzania and Zambia as part of this evaluation. In Zambia, the tracer survey had an urban bias as it was based on a sample of graduates from the Lusaka Technical Trades Institute in 1995 and 2000. 145 LTTI graduates were randomly selected, 81% were successfully traced and 34 graduates were interviewed. In Tanzania a random sample of 234 individuals were selected who completed their training at two of the DSTCs in the mid-1990s (Chang'ombe 1995 and Iringa 1997) and 2000, 88% were successfully traced and a total of 123 graduates were interviewed. Groups of graduates were also located and interviewed in Bangladesh and India (15 and 54 respectively). These are not tracer surveys, but they did provide useful

information from graduates of DSTCs in these countries. In addition, 24 employers of IDTR graduates and 10 employers of UCEP graduates were interviewed.

While the tracer studies and interviews undertaken were useful for the purpose of this evaluation, more robust impact assessments would require larger and more representative samples.

7.2. Impact in Relation to Employment of Individuals

The following discussion reviews the available evidence on employment impact in the following separate but related areas: activity profiles, skills utilisation and incomes.

Activity Profiles

In Bangladesh, employment opportunities are good for students, who completed their training at the UCEP technical schools. Among UCEP graduates, only 58% managed to find employment after six months in 1990, but this had increased to 95% in 2000. The corresponding employment rate at government VTCs is reported to be only 40-50%. Outputs from the UCEP para-training programme were smaller, but 82% of 2000 graduates managed to find employment. The 15 graduates who were interviewed for this evaluation, were all employed. The seven males were in waged employment (mostly metal work), while the eight females were in self-employment (mostly part-time home-based garment making).

Given the high status of the IDTRs in India, one would expect their graduates to do relatively well in the large and expanding labour markets for these skilled occupations. The 2001 Project Completion Report for the IDTR project states that 'employability is assured' for the graduates of the four-year tool and die making diploma course. However, a full tracer survey of these graduates has never been undertaken. About one-third (33 out of 99) of the graduates from the Bhubaneswar CTTC between 1995 and 1999 were interviewed in early 2000. If this group is representative of the total graduate population (which may not be the case), then employment impact of the IDTRs is good. All were in wage employment and 87% indicated that it was 'easy' to find a job. However, only 55% felt that their personal goals in undertaking the four-year training had been fulfilled. 27% were dissatisfied because they were unable to find jobs in Orissa or because of the quality of training.

It is too soon to evaluate meaningfully either of the VET projects in South Africa. One year after completing their training, 50% of the 227 phase one graduates from the PSDP were reported to be in employment and half of the venture creation programme had started their own enterprises.

In Tanzania, employment prospects for graduates from government VTCs in the late 1980s were generally good. However, as a result of wide-scale economic restructuring and pervasive de-industrialisation, this was no longer the case by the late 1990s. The tracer survey reveals that among the 1995 and 1997 graduates from the Chang'ombe and Iringa VTCs, only 30% were in wage employment. Among the 2000 graduates, only 18% of Chang'ombe graduates were in wage employment compared with 31% among the Iringa group. Wage employment is concentrated in the urban areas. Around one-half of the 1995 Chang'ombe and 1997 Iringa graduates were self-employed in early 2002. Among the Chang'ombe group, only 24% were self-employed compared with

46% among the corresponding Iringa graduates. 12% of the 1995-97 group of graduates and 20% of the 2000 group of graduates were unemployed. Unemployment rates are particularly high in the female-dominated trades of tailoring, secretarial work and computing.

In marked contrast to Tanzania, over 80% of the traced LTTI graduates among both the 1995 and 2000 year groups were employed in early 2002. However, only 10% of the employed graduates were self-employed. Nearly 5% of the 1995 traced students had died.

Skills Utilisation

The overall effectiveness of VET depends critically on the extent to which graduates can utilise the knowledge and skills they have acquired during their formal training. In Bangladesh, the percentage of UCEP graduates, who are in training-related employment, is not known, but impressionistic evidence suggests that it is probably quite high. The limited surveys of IDTR graduates in India reveal a mixed picture. Two-thirds of the respondents interviewed for the Bhubaneshwar study in 2000 were tool and die makers, and 61% stated that they were fully utilising their skills. Among the remainder, 18% indicated that they were not utilising their skills at all.

Table 7.1 shows that only one-half of the 1995/97 VET graduates in Tanzania were in training-related employment in early 2002. Less than one in five of the 2000 graduates were employed in occupations for which they had been trained. The effectiveness of this training is low, because most of these occupational labour markets are saturated, and VETA graduates now face fierce competition from better-educated school leavers and university graduates for the few available job openings. Again, Zambia provides an interesting contrast, since nearly three-quarters of both year groups of graduates from LTTI were in training-related employment in early 2002.

Table 7.1: Percentage of VET Graduates in Tanzania and Zambia in Training-related Employment

Trade	1995-97 Graduates		2000 Graduates	
	Tanzania	Zambia	Tanzania	Zambia
Automotive mechanics	na	57	na	52
Carpentry and joinery	79	na	14	na
Fitting and turning	70	na	23	na
Plumbing	40	89	19	86
Secretarial and computing	7	na	33	86
Tailoring	64	na	7	na
Water operations	na	74	na	95
Overall	52	77	17	74

Source: Tracer Studies carried out as part of this evaluation. See Country Studies Reports

Incomes

The most important training impact for individuals is increased income as a result of undertaking a particular training activity. Too little information is available on pre- and post-training income levels among graduates from the evaluated DSTCs to be able to make robust assessments.

In Bangladesh, average incomes for the seven male UCEP graduates, who were interviewed, were roughly twice the minimum wage, but they were much lower for female graduates (less than half earned significantly more than the minimum wage). In India, the salaries of 80% of the surveyed graduates from the Bhubaneswar centre had increased three to four times since completing their training.

In both Tanzania and Zambia, average gross monthly earnings of employed graduates interviewed as part of the tracer survey were relatively low. Among the 1995-97 group, who were in employment in Tanzania, average incomes for most trades were only TZS 40-60,000 per month. Respondents indicated that their monthly survival household income (at least in the large urban areas) was at least TZS 130,000. For the entire sample, average incomes were around TZS 41,000 per month for both females and males. In Zambia, 40% of LTTI graduates earned below ZMK 300,000 per month, which is considered to be the minimum wage. At least 70% of graduates earn less than what they consider to be their minimum survival income for their household. It is mainly for this reason that nearly one-third of them have part-time wage employment and another 40% undertake various kinds of part-time self-employment activities.

7.3. Enterprise Productivity and Performance

It is usually difficult to assess the direct impact of training on productivity and other enterprise performance indicators.

Employers interviewed in Bangladesh confirmed that UCEP graduates contribute significantly to enterprise productivity. Their low level of technical expertise is compensated by their attitude to work and loyalty.

In India, the PCR notes that the tool rooms have 'played a major catalytic role in industrial development'. Among the Bhubaneswar graduates interviewed, 73% rated themselves better than their peers, and 82% felt that they had had a positive impact on production operations. 40% felt that they had made a 'substantial impact' on productivity as a result of better on the job training, input utilisation and product quality and lower rejection rates.

Other project-related factors also need to be taken into account. For example, in Tanzania, employer opposition to the training levy is a key issue. It could be the case that some feel that the overall impact of the levy has been to reduce productivity because of lower profitability and fewer resources available for company-sponsored in-service training, which is their major training priority.

7.4. Poverty Reduction

The impact of Danida VET projects on poverty reduction has been limited. This is a consequence of the type and focus of training (pre-employment oriented mainly to the formal sector), small enrolments, the socio-economic profile of full-time students, the cost of training, the location and funding of training centres and the current location of graduates. A key issue is therefore why Danida VET projects were not more focused on skills development needs of poor men and women?

Type of Training

The majority of Danida VET projects focus on pre-employment training in a relatively narrow range of industrial and construction-related artisan/skilled worker occupations. The orientation of this training is predominantly for employment in the formal sector. Only two of the projects studied, UCEP in Bangladesh and the second phase of PSDP in South Africa, had a strong pro-poor orientation.

The provision of short courses for informal sector entrepreneurs and workers is another way which supported training centres could have contributed to poverty-reduction goals. While the importance of providing training services for low-income groups was increasingly recognised during the mid-late 1990s, enrolments remained very limited, both in absolute and relative terms. In India, for example, the Delhi IDTR has run one month short courses for unemployed youth since 1996. Around 800 individuals have been trained each year. Occasional courses were offered at the Danida-supported centres in Tanzania. The two pilot training centres in Zambia did virtually nothing in this area of training provision.

Generally speaking, other donor agencies (particularly GTZ in Tanzania and Zambia) made more concerted efforts than Danida to support training for the informal sector. Short courses everywhere tended to be targeted at formal sector employees and other better-off individuals.

Size of Enrolments

The overall size of enrolments at all the DSTCs, regardless of their formal or informal sector orientation, was tiny compared to the overall size of the poor population. In all five countries, the enrolment capacities of the DSTCs amounted to less than 1% of the total primary and secondary school leaver populations.

Socio-economic Background of Students

With the exception of UCEP in Bangladesh and possibly the PSDP in South Africa, students from better off socio-economic backgrounds were disproportionately represented at DSTCs. This is not surprising given the relatively high academic entry requirements at most of these training centres coupled with often intense and increasing competition for places among school leavers.

There is no information on the socio-economic background of students in Bangladesh, India and South Africa. However, given the selection criteria of the UCEP schools, nearly all children were from poor backgrounds. It should be noted, though, that training places at high-quality NGO training centres in developing countries are frequently 'captured' by non-poor groups. In India, 20% of enrolments at the IDTRs were reserved for students from reserved castes.

In Tanzania, Sida conducted a review of its support to NVTB training centres in the mid-late 1980s. It concluded that 'it is the sons (and sometimes daughters) of the well educated (and well connected) who disproportionately enter into vocational training centres, presumably as something to fall back upon when they fail to get into Tanzania's narrowly selective secondary school'⁸. The under-representation of the poor probably increased during the 1990s mainly because the proportion of secondary school leaver intakes into the VETA centres rose very significantly. Whereas in 1990, almost all students were primary school leavers, by 2000 this had fallen to nearly 50%. Only around 45,000 students in Tanzania completed Form IV in 2000, and research shows that relatively few of these students are from poor households. Among the 120 graduates interviewed for the tracer survey, 35% and 52% of the 1995 and 2000 groups, respectively, had fathers who had more than primary education. In the mid 1990s, the net enrolment ratio for secondary education in rural areas (where over 80% of the population lived) was around 4%, and among the poorest 25% it was only 1.5%.

A similar situation prevailed in Zambia. LTTI students tend to come from better-off socio-economic backgrounds. 44.1% of fathers had some secondary education and another 8.8% had higher education. In both of the year group samples, 60% of the male students interviewed for the tracer survey had fathers who are in professional and middle level occupations.

The Location and Funding of Training Centres

There is a strong urban bias in the location of training centres in the five case study countries. Students from rural areas must therefore board at the training centres, but places are invariably limited and student fees higher. Funding patterns reflect this urban bias. In Tanzania, for example, the nine urban-based VETA centres absorbed 46% of total expenditure in 2001, while the mainly rural and small town VTCs accounted for only 12%. Yet over 80% of the population are rural dwellers, and the majority of poor live in rural areas.

Cost of Training

Training costs at the DSTCs in India, Tanzania and Zambia are not affordable for the poor. Even though VETA fees are considerably lower than those charged by most private VET providers, they are beyond the reach of the poorest sections of the community.

In Zambia, the failure to introduce a training levy as part of the VET reform process has meant that the two pilot training centres are under much greater pressure to increase student fees than in Tanzania, where training is heavily subsidised. Fees have been increased fourfold at the two centres since 1998 (in running prices). By early 2002, the combined tuition and residential student fee at NORTEC was ZMK 1.65 million per annum. With fees at this level, even the majority of graduates from these centres would have difficulty sending their own children to the centres.

The Current Location of Graduates

Most graduates from the DSTCs in the five countries are living and working in urban areas. In India, it is unlikely that IDTR graduates are working in rural areas. Only the small number of poor rural women, who were trained as part of the second phase of the PSDP in South Africa, were still living and working in rural locations in early 2002. In

8) *Lauglo, J. 1990. Vocational Training in Tanzania and the role of Swedish support. Sida Education Division Documents no. 48. Sida: Stockholm. 1990*

Tanzania, 51% of traced graduates were located in the capital Dar es Salaam, 42% in other cities and towns, 1% were overseas, and only 6% were in rural areas.

7.5. Gender

Despite the fact that gender equality has been an important cross-cutting concern in Danish foreign aid policy for several decades, training at the DSTCs remained male-dominated in all five countries during the 1990s. In Bangladesh, the ratio of women has almost doubled since 1990 but was still only 32% in 2002. Moreover, female students were mostly confined to female-targeted courses. In India, female enrolments on the four-year diploma course fell from 7.6% in 1990 to 2.4% in 2000, and 90% of these students were concentrated at just one tool-room. Mainly as a result of pressure from project review teams, the recruitment of more female students started to be taken seriously in later stages of project. Special programmes have been introduced for women at the IDTRs in Bangalore, Delhi and Bhubaneswar. Among the four DSTCs in Tanzania, the gender ratio remained unchanged during the 1990s at around 25%. Female participation in the traditionally male-dominated industrial and construction courses was not only minimal (less than 5%), but actually fell in most of these trades.

Targeted Interventions

Well-conceived, high-priority gender strategies were not developed by any of the VET organisations supported by Danida in the five case study countries during the 1990s. This was partly because some managements felt that there was little justification for increasing female enrolments in traditionally male-dominated trades. For example, the management of UCEP in Bangladesh argued that there was no point in embarking on a 'girls in men-trade' campaign because employment opportunities for women in these trades were so limited. More generally, given that labour market conditions are so difficult for female graduates in male-dominated trades, this would require the introduction of a range of co-ordinated active labour market policies. In most developing countries, these are generally considered to be too costly and are unlikely to be effective, especially where employment opportunities for these occupations are contracting as seen in many African countries.

Where gender ratios did improve, this was mainly for two reasons. First, higher enrolment growth in existing female-dominated courses (e.g. secretarial and computing in Tanzania) and secondly, the introduction of a limited number of female-dominated trades (hotel and tourism, catering). However, the scope for introducing new courses was constrained by the already large capital investment in workshops for male-dominated trades, which both local managers and Danida advisers were keen to utilise effectively.

A few training centres did introduce enrolment quotas for female students, but this was largely unsuccessful. For example, Mbeya VTC in Tanzania introduced a 25% female quota for its male-dominated trades in 2000. While well intentioned, almost all female students in these trades dropped out during the first year. In part, this was because female applicants with poorer academic grades had to be 'persuaded' to join these courses. NORTEC in Zambia set a target of 30% women, but follow-up by management to reach this target was lacking.

Financial incentives have frequently been introduced in other education sectors in an effort to attract and retain female students. However, this was not attempted at any of the DSTCs under review. Efforts to recruit more girls were also constrained by a shortage of boarding facilities, even if Danida and other donor agencies financed the construction of dormitories for girls in several countries.

7.6. Other Impact Areas

HIV/AIDS

Three of the case study countries – South Africa, Tanzania, and Zambia – have high rates of HIV prevalence. However, none of the DSTCs introduced systematic AIDS prevention programmes for staff and students during the 1990s. More recently, VETA management in Tanzania has introduced such a programme, but it is too early to say whether there has been any reduction in high-risk sexual behaviour. A similar programme is being planned in Zambia.

Occupational Safety and Health

Occupational safety and health is usually included in topics on preventive maintenance, which is part of the curriculum of all courses. It seems to have been given a reasonable priority at most DSTCs.

Environment and Democracy

The promotion of sound environmental and democratic practices and norms has not been a major concern in Danida-supported VET-projects and programmes. There is scope for enhancing the dialogue with developing country partners on these issues both at national level and at training centre level.

7.7. Summary Lessons

Robust impact assessment should be undertaken of Danida-support to VET projects and programmes. These assessments should include properly designed and implemented tracer surveys of representative samples of graduates, who completed their training just prior to the start of the project in order to establish a proper baseline and at appropriate intervals thereafter.

The impact of VET-support in terms of employment and incomes is difficult to assess. Where relatively few graduates find training-related employment and/or net income benefits are limited, social and private rates of return will be too low to justify the large investments that are normally required for VET.

There are a variety of political, technical, and economic reasons why the needs of women and the poor have not received the attention they deserve. More in-depth analysis is required. The case studies confirm other extensive research that most public training institutions have neither the capacity nor incentives to re-orient their training services to the poor.

Trade-offs between cost recovery and equity objectives are increasing, as training institutions come under increasing pressure to increase income from student fees.

8. Sustainability

Nowadays sustainability goes to the very heart of the development assistance exercise. It seeks to assess the extent to which the positive aspects associated with the donor intervention are likely to continue after the external support has been ended. Danida has rightly judged sustainability to be ‘in many ways a higher-level test’ of whether the aid intervention has been a success than some of the other standard evaluation measures.⁹ Like other agencies, it has been putting more emphasis on long-term perspectives and on lasting improvements.

It was not always so. One of the reasons that the development assistance community began to move away from the project modality towards the programme approach was that they realised it was entirely possible to deliver a ‘successful’ project, protected and insulated by longer or shorter term donor funding from the wider organisational and political environment. But far too many of such development initiatives were failing shortly after the implementation phase.

Thus, sustainability in its current donor usage has come to be almost inseparable from concerns with the specific policy environment of the recipient institution or ministry. This has several important consequences. Although sustainability is said to be concerned with ‘what happens after the aid activities are completed, and should ideally be measured some years afterwards’,¹⁰ it is equally clear that sustainability should be on the agenda from the very first negotiations – at the outset of the project or programme design.

It should be noted here, however, that though there is a sustainability logic about the move from project to programme, and from project to policy, there continue, worldwide, to be hundreds of self-standing bilateral and NGO projects in the VET sector. It is entirely possible that some things are worth supporting with external funds even if they cannot be made part of a sector programme or a policy support initiative. Equally, it should be noted that in the move to policy-based lending and grants over the previous decade, there may be projects whose major rationale is now policy development or institutional development, but where it is impossible to check for commitment at the outset. This is because the project is itself actually supporting a completely new institutional or policy framework.

We should also emphasise here that despite the shifts towards programme and policy, many donors, including NGOs and international organisations like the ILO, continue to believe that part of their comparative advantage remains modelling, piloting, and experimentation. This is the activity for which funding is hardest to find in several developing countries. Clearly a pilot or an experiment needs to be judged by different criteria, including standards for sustainability, from those linked to a mainline project or programme. We shall note in our analysis that support to pilot projects remains a part of Danida’s portfolio, including in one of the countries, South Africa, which was analysed in this evaluation.

9) *Ministry of Foreign Affairs, Danida 1999 Evaluation Guidelines Ministry of Foreign Affairs, Copenhagen, p.60.*

10) *Ibid. 61.*

Against this background of a very demanding set of criteria for judging sustainable development, we shall make some comments on each of the projects or programmes reviewed in our five case study countries. In so doing, we are aware that there is some danger of trying to judge projects started in a much earlier period of donor thinking by the criteria that are in vogue today.

8.1. The Diversity of Projects and Programmes Reviewed

Amongst the projects reviewed, there is a range from a stand-alone project for an NGO (Bangladesh); development of specialist centres of excellence (India); experimental projects (South Africa); and organisational/institutional development projects (Zambia and Tanzania). In some cases (Bangladesh and India) the support commenced long before the current review period. In others, support is very recent. Yet in terms of sustainability they bring a variety of messages to bear in the present evaluation. Clearly those projects such as Bangladesh and India which were started in the very early 1970s are coming out of a different development assistance scenario from those, such as the two South African projects, which were initiated in 1997 and 1998. Therefore, it will be more useful to tease our sustainability lessons from the different countries and projects by looking at sustainability through three different lenses – the project modality; piloting for policy; and dual strategies.

8.2. Sustainability in the Project Modality

There are two case studies of sustainability in the project mode. Their lessons are very different. Providing real opportunities for the poorest will always be expensive and require dedicated funding. There is no easy exit strategy for such projects as Underprivileged Children's Education Programs (UCEP), because real poverty reduction takes dedication and commitment of very substantial funds. By contrast, the six Indo-Danish tool rooms targeted a niche market that fitted well into India's industrial and small enterprise policies. Their political and institutional sustainability was assured from relatively early on, and, as we shall see below, they have made great strides towards financial self-sufficiency. With the benefit of hindsight, it was important to their overall sustainability that these were perceived as centres of excellence, with a close link to industry and to production, and not just as another kind of vocational training centre focusing on tool and die makers. Their institutional location and their niche mission were as crucial to their long term sustainability as were the famous Indian Institutes of Technology, which were all originally externally assisted.

a) Bangladesh: NGO Sustainability in an Aid Dependency Situation

There are certain NGO projects in all countries, North and South, which are targeted at some of the poorest and most marginalised members of society. Such projects have been a niche for international or national NGOs precisely because they fall outside the regular funding scope of the government. Their sustainability challenge is therefore very different from donor support to a government project or programme. The Underprivileged Children's Education Programs is one such. Since its beginnings in 1972 it has been financially dependent on external donor sources. It remains today almost as aid-dependent as it was at the outset. The Evaluation would judge there to have been insufficient attention by the donors to securing the financial sustainability of the project; indeed, donor 'goodwill' has almost conspired against this. However, this kind of project with

this particular target population of the underprivileged is probably not one that the government would readily have taken financial responsibility for, even if the donors had pressed much more firmly on this as a condition of their continued funding. Rather, as an alternative to virtually total dependency on external sources, involvement of the private sector, including employers of UCEP graduates, and community sources in the financing of UCEP could have been explored more vigorously. However, it will not prove easy rapidly to build a strong local community base or private sector base for a project that for three decades has doubtless been seen as generously foreign-aided. Nor will it be easy to engage in various forms of income generation that are difficult even for mainstream VET projects.

The sustainability message of UCEP is probably rather simple: a project such as this, targeting the poorest, will not be sustained by regular funding. In a way, it is a 30 year old demonstration project, showing that tens of thousands of the very poor can have their own and their families' lives improved by this kind of dedicated funding. But there is no guarantee that it will continue through local funding.

India: Sustaining Centres of Excellence

The Indo-Danish Tool Rooms (IDTRs), the other case study project in South Asia, had a diametrically different project profile from that of UCEP in Bangladesh. The six tool and die making institutions, which were set up and implemented in two phases between 1971 and 2001 in India, aimed to produce centres of excellence for tool and die making in their respective states. Unlike the NGO support project in Bangladesh, from the outset the IDTRs had very strong relations with the centre level host ministry and with the counterparts of this ministry at the state level. Also unlike the NGO project, the very initial agreements – even in first phase in the 1970s – specifically mentioned that they will supply tools ‘on a self-supporting basis’. This was reinforced in the second phase by the insistence on the original objectives that there would be the development of production facilities ‘which will ensure financial viability of the project’¹¹. There had been substantial progress towards this goal of financial sustainability by the end of external funding of the project. Even though the project was reviewed less than a year after Danish funding had terminated, there was plentiful evidence of strong Government of India (GoI) and state level ownership.

Although demand for tool room graduates remained buoyant amongst employers, and the reputation of the trainees for hands-on skills and relevant theory remained high in this niche market, there were some concerns about sustaining quality in teaching, in curriculum and in training equipment, though management were aware of the possibility that the search for income generation through production could harm the investment in training itself. The mechanism that Danida had funded to encourage learning across the family of six Indo-Danish tool rooms had stopped operating with the end of external assistance. The funds to manage this exchange had been in Danish control right up to the end of the project. Whether the mechanism would have been sustained if the funds had been under local control much earlier must remain a moot point since this kind of funding for travel and exchange of experience is hard to protect in many different aid projects after external assistance is ended.

11) *Danish Embassy to Department of Economic Affairs, Government of India, 27th May 1989, Project files, Evaluation Department, Danida*

8.3. Piloting for Policy

Through the piloting of the new Learnerships in the Provincial Skills Development Project (PSDP) and the search for new ways to enhance technology and productivity in small enterprise through the Manufacturing Advisory Centres MACs, Danida's assistance was critical to making some of the first experience and lessons available in South Africa. One of the sustainability dangers of piloting for policy development and for demonstration of good practice is that donor funds do ensure that an innovation takes place on time. But whether that can mean that an initiative takes place before there is widespread industry and community support is always a possibility. It is something that could be raised about the whole new skills development project in South Africa, almost all of whose separate components have been funded by the European Union Project. Everything would have taken place much more slowly without the availability of EU and Danida funding. Arguably the piloting forced the pace.

South Africa: Sustainability through Learning from Pilots

Both South African projects – PSDP and MAC – are too recent for an authoritative statement to be made about their sustainability. Funding for the latter has ended, and for the former will terminate in late 2002. However, what both illustrate is an approach to sustainability through deliberately limiting the timescale of the donor involvement. For these short-term, explicitly pilot projects, there is thus no traditional question about the sustainability of long-term donor assistance. Rather, it is for the country itself to make the projects sustainable through learning the lessons from the pilots. The key question for this kind of experimental or pilot project must be, therefore, how easily accessible are the findings both at the provincial and national level. In this regard, just two concerns can be raised. First, in the case of the PSDP, the failure to build in as much of a reflection and dissemination element into phase two as was evident in phase one is likely to have weakened the likelihood of the national spread of the lessons of this phase and, hence, its distributed sustainability. Second, in the case of the MAC, where beyond the end of Danish support, the project is clearly ongoing and expanding, the limited engagement with the private sector makes the project dependent on the future financial support of government. Sustainability could have been further enhanced through better corporate buy-in.

In both cases, however, the existence of a strong supportive environment in the respective ministries provided important enabling conditions for these pilot projects to be implemented and brought to a stage where government could learn from them.

8.4. Dual Strategy: System Reform and Institutional Renewal

In Danida's VET policy from the mid 1990s, there had been the dual objective of moving towards system reform as well as towards the renewal of the existing vocational training institutions. The ultimate objective had been a series of Sector Programme Support (SPS) initiatives in several African countries. Arguably this was the most ambitious of the modalities that we have reviewed, but it was to be carried through in countries where implementation capacity was much weaker than in India or South Africa. System reform on the scale that was intended required very different skills in the donors and in the national governments from those associated with building and sustaining one-off vocational training centres. The sheer extent of the changes required in government tra-

ditions and attitudes has meant that there has been some measure of retreat from the full SPS concept. There has, nevertheless, been some considerable progress towards system reform as a result of Danish support, as can be seen in the cases of Tanzania and Zambia.

a) Tanzania: from Donor Dependency to National Sustainability?

At the system level, there was success in moving from a position of substantial long-term donor dependency in the VET sector to a situation where the institutional reform has succeeded in making the Vocational Education and Training Authority (VETA) independent of donor support. At the level of the training centres, there are concerns that the focus on production for increased financial sustainability is too ambitious and could pose a threat to the quality of training. This trade-off between production and training could become more acute as centres come under increasing pressure to become self-sufficient. One of the sustainability paradoxes in Tanzania is that Danida had planned for the new VETA dispensation to encompass all centres (government, NGO and community provision) and for them to be treated on an equal basis. Instead, government has used the reform to further support and sustain its own group of VET centres, while the other training providers, including those targeting the poorest young people, remain largely outside the scope of the reform.

Given the centrality of the employers to support of the levy, it is also a worry that VETA's core service, pre-employment artisan training, appears not to be sustainable in its present form. The changes in patterns of recruitment and substantial qualification escalation in the skilled and semi-skilled labour market mean that VETA graduates will find it increasingly difficult to find jobs. Employers will need to be much more involved in the key structures of the system if institutional sustainability is to be secured. Along with other stakeholders, including the full range of training providers, they are likely to be critical to the achievement of a more demand-led vocational training system.

b) Zambia: System Reform but Sustainability at Risk

Zambia now has a Technical Education, Vocational and Entrepreneurship Authority (TEVETA) as a result of the system reform. The Authority is beginning to work. TEVETA remains somewhat vulnerable as the Ministry has allowed a parallel structure to develop. Of greater concern to the emergence of the new Authority is the fact that there is no large and stable funding secured for it through a levy; without this, the autonomy and overall viability of the new organisation is at risk. Accordingly, TEVETA will remain in some crucial respects donor dependent.

At the centre level, there is increased focus on income generation through higher fees, production activities and short courses. But there are definite limits on fee income; and the track record of income generation through production and short courses does not offer much promise of substantial change. Though there was evidence of improved training quality due in part to the presence of Danish advisers, it is too soon to say that this is secure. There is still a clear challenge to the maintenance of essential equipment and provision of materials. This is underlining the obvious fact that short-term improvements are likely to be the outcome when the longer term achievements of the organisational reform lack sufficient financial and political commitment.

8.5. Summary Lessons

Danida can be seen to have undertaken a great variety of project piloting and programme development in these five case study countries. It could be argued that the most ambitious and complex of the five were the system reforms in Tanzania and Zambia which thus faced the greatest challenges to their human and institutional capacity. The lessons for sustainability of these experiences are very salient given that these interventions most closely reflect major emphases of Danida policy. Both experiences appear to point to the very great difficulties in supporting the development of national training authorities. In particular, sustainability challenges are apparent both in terms of stakeholder ownership and in terms of financial arrangements. Both the Tanzanian and Zambian cases also point to the challenges in following the 1994 policy's recommendation to reduce direct support to public provider institutions. Being able to withdraw from such institutions whilst remaining positive about their future sustainability is clearly very difficult and Danida is still struggling with this.

South Africa had its strongly owned emerging systems for skills development and small enterprise development into which the lessons from the Danida pilots could potentially be fed. In India, the tool rooms should continue to find a secure niche in a society where small enterprise development has powerful government support and where there is an aggressive combination of import substitution in industry and an increasing export orientation. Bangladesh offers through UCEP a particular challenge to sustainability since the training of the very poor and underprivileged cannot after three decades of external funding be readily passed on to government or to local and community sources of support. Finally, the largest challenge to sustainability must be the situation in Malawi where a very ambitious system reform and qualification authority have been encouraged in substantial part through Danida funding, but where Denmark has prematurely withdrawn from assistance to the country for reasons that are in no way connected to the VET sector.

9. Lessons and Recommendations

While chapter-specific lessons have been summarised at the end of the previous chapters, the intention in this last chapter of the report is to focus on some general lessons of relevance for future Danish VET-support. The general lessons, which the evaluation has generated, will be discussed and recommendations, corresponding to these lessons, will be provided.

1. Reorienting the VET-related SPS

The new emphasis on sector policy development and reform has meant that Danida works primarily with governments and public sector training centres. Danida has often relied on a single line ministry as the entry point for its provision of VET-support. The SPS requires large commitments of resources to stimulate reform processes. At the level of training provision the strong formal sector orientation has been maintained.

Danida, in contrast, has provided little support for informal sector training including training provided by NGOs. Gender equality and poverty reduction objectives have been prioritised in policies, but much less in practice.

Recommendation:

Danida should reorient its VET-support practice to ensure that it contributes more effectively to poverty reduction and gender equality. Experimental approaches involving the private sector, community initiatives and NGOs are required. Within the sector support, Danida should support public-private skills development partnerships between national and local authorities on the one hand, and industries and NGOs on the other.

2. Relevant, Demand-responsive VET-support

The shift in focus of Danida's VET-support from Asia to Africa is interesting. There is no evidence to suggest that this shift was the result of an analysis of needs and opportunities in relation to VET in the two continents. Rather the shift appears to be a reflection of the general emphasis on Africa in Danish foreign aid policies.

Considering the industrial potential and the rates of economic growth in Asia and Sub-Saharan Africa it may be argued that there is a greater scope in several of the Asian economies for the kind of VET support that Danida is providing. Most countries in Africa, on the other hand, would require – it appears – a different kind of VET-support focusing much more directly on the informal sector and the needs for skills development in rural Africa.

Recommendation:

Danida should develop appropriate criteria and processes to guide the development of a more relevant and opportunity-driven VET-support. This new, more demand-responsive approach would most likely imply a refocusing of Danish VET-support from an emphasis on pre-employment training to an emphasis on work-related in-service training.

3. The Analytical Basis for Intervention Decisions

There is, however, no standard type of VET support programme, which is equally relevant to all countries. The priorities, approaches and modalities will vary from country to country. There is often, however, a fairly limited analytical basis for the large skills development programmes that Governments are launching with support from Danida and other donors.

Recommendation:

Decisions on the type of VET-support to be provided to the various countries should be based on in-depth country-specific analysis of needs and opportunities, including gender-sensitive analysis of the demand for skilled labour in the various countries and regions within countries.

4. Programming and Design of VET-programmes

Even after the fuller elaboration of the SPS concept, the project modality continued but in a form of largely unrelated Danida-funded SPS components. Most programme documents reviewed seriously underestimated the complexity and difficulty of major donor-driven organisational change and systems reform. Programme identification and design suffered from inadequate risks assessment, lack of transparency with regard to costs and insufficient baseline data.

Recommendation:

The quality of the input for programme identification and design as well as the framework for these activities should be further examined by Danida. A review of modalities applied and experience gained by other donor agencies may prove to be helpful in this connection.

5. Sector Wide Approach – the Danida Way

The 1996 *Guidelines for Sector Programme Support* outlined a new modality for Danish development co-operation. This document made Denmark an early pioneer of the sector wide approach (SWAP). This new modality has been consistently pursued in Danish VET-support, but there are particular features in the way Danida is implementing SWAP in the VET-sector which may require rethinking. First of all Denmark appears to be more eager than most donor countries to earmark financial contributions to specific parts of larger programmes. Secondly, Denmark is often using Danida advisers as financial controllers, who have to co-sign cheques before payments can be made.

Recommendation:

Instead of insisting on its own procedures, Danida should contribute more effectively to donor co-ordination of policies as well as to the elaboration of joint implementation modalities and control mechanisms, which would allow Danida to contribute to basket funding, accompanied by joint reviews and follow-up. Clearly this shift in emphasis has capacity implications within the Danish aid management structure. It involves risks, which can, however, be minimised by adopting carefully designed control systems.

6. Coping with Shifts in Competence Requirements

The main policy development in the period under review was the shift from project to programme support with main emphasis on system-level reform. Danida adopted a two-track approach with reform of training systems combined with continued support to individual training centres and projects.

The shift from an area where Danida has considerable experience and expertise (public sector vocational training institutions) to an area, where Danida had little experience (legislation, public policy, organisational change, etc.) was not adequately accompanied by a corresponding change in staff qualification requirements in relation to TA-staff and aid management staff.

Recommendation:

Danida should apply better tools and methods in the analysis of competence requirements for successful programme planning and implementation, in particular when sector or sub-sector priorities are undergoing fundamental change.

7. Implications of HIV/AIDS

HIV/AIDS poses a serious threat to effective management and staff development objectives, particularly in VET-programmes in South Africa and Zambia.

Recommendation:

HIV/AIDS impact assessments should be regularly undertaken in order to monitor the effects and impact of the epidemic in both staff and students. Data on indicators should be collected regularly. This includes staff sickness/absenteeism and mortality as well as student dropout by reason.

8. TA-effectiveness

Very substantial amounts of technical assistance have been provided, but there has been insufficient systematic attention to the effectiveness of this important input. From the evidence collected it is clear that there has been a confusion of TA-roles in several projects and programmes.

Recommendation:

Danida should review its staff assessment procedures and methods. Terms of References of Advisers should be worked out and monitored in closer consultation with host institutions. The evidence of this evaluation speaks against the current practice of asking the advisers to work both as de facto financial controllers on behalf of Danida and technical experts assigned to advise host institutions. Much greater use should be made of developing country expertise.

Wider Perspectives

A final question, which calls for a discussion, relates to the future of Danish VET-support. In light of today's foreign aid climate, where further reductions in the volume of Danish development assistance are likely to be made, it may be useful to consider cost-

9. LESSONS AND RECOMMENDATIONS

effective ways of using the limited technical and financial resources that will be available in the years to come. Business as usual does not appear to be an attractive option considering the findings of this evaluation.

The question is if a reformed pro-poor, gender sensitive and demand-responsive VET-support should form a distinct part of the Danish commitment to post-primary education or – as we have seen in several countries – a sub-sector of its own within larger sector support programmes? Alternatively, it could be argued to put the future emphasis on mainstreaming of VET – seeing VET as a capacity development issue to be addressed in a systematic manner within all sector programmes and in the expanded programme for private sector development, which the new Danish government has launched.

Annex I. Terms of Reference

Copenhagen 4 July, 2001
Eval. Ref. No. 104.A.1.e.28

Terms of Reference

Evaluation of Danish Assistance to Vocational Education and Training (VET)

1. Background

Globalisation and rapid increase in world trade and international investment flows sets new standards for increased competitiveness – of national economies and of private sector enterprises. However, many developing countries witnessed a drop in their performance on economic and social indicators in the 1990'es. National economies are faced with the double challenge of developing strategies to enhance their competitiveness, and a tremendous pressure from below, i.e. from the millions of new job seekers entering the labour market each year. The result is an employment crisis in the poorest countries.

National vocational training systems are criticised for being out of touch with the new reality:

- inflexible and supply-driven, they try to cater for a formal sector industry of yesterday
- starved of resources, they produce poorly qualified graduates that are rejected by employers in the formal as well as informal sectors
- based on standards set 30 – 40 years ago, they are neither very interested in, nor capable of, orienting themselves to the informal sector, which is thought to represent the highest potential for job creation.

Between 1994 and 2000, the overall Danish development cooperation has been provided within the framework of the “Strategy for Danish Development Policy towards the Year 2000”, whereas the support to VET has referred to a “Vocational Education and Training Sector Policy”. The VET sector paper advocates a balanced support programmes for training for both the formal and the informal sectors of the economy.

While the 1994 VET policy paper did acknowledge the need to go beyond traditional, government-supplied, institution-based training in an integrated approach, and also did include training needs of adults in addition to those related to the transition from school to the world of work, it has been recognised that the policy paper paid less attention to the increasingly important role of small, often informal enterprises in the economy of most developing countries. Consequently, a new policy paper has been drafted and is in the screening process in Danida.

Danida supports the view that an important condition for growth and sustainable development is continuous and accelerated investment in education, training and skills development and other capacities of human resources that will facilitate access to gainful employment for as many as possible.

Within this framework, assistance to VET has been and will remain an important element in Danish development co-operation. Danida has supported bilateral training activities in programme cooperation and other countries, including some recipients of transitional assistance. Danish NGOs also carry out a considerable amount of training with Danida financing. And finally, multilateral support to e.g. ILO and UNIDO includes elements of vocational training.

Although some VET projects were evaluated in the late 1980s, an overall, comprehensive evaluation of the Danish bilateral assistance to the VET sector has never been done. It has therefore been decided to carry out such an evaluation during 2001.

In order to facilitate the planning and implementation of the evaluation and to ensure utilisation of “lessons learnt” from the evaluation, an Advisory Group has been established. The members of the Advisory Group are Danida staff and external advisers.

A concept paper discussing various aspects of the evaluation has been drafted and should be read in conjunction with these Terms of Reference.

2. Objective

The main objective of the evaluation is to compile relevant “lessons learnt” in order to improve the quality of Danish assistance in the field of vocational education and training, and contribute to the strengthening of vocational education and training systems for the formal as well as for the informal sector in developing countries.

3. Outputs

The evaluation will result in:

1. A state of the art account of employment and labour market training in the age of globalisation.
2. An overview of Danish bilateral assistance to VET since 1990.
3. Country studies from 3 – 4 countries having received Danida support to VET emphasising lessons learnt relevant for future skills development activities.

4. An evaluation report including an assessment of the quality of Danida assistance and its contributions to improving employment conditions of its target groups as well as VET systems emphasising lessons learnt relevant for future skills development activities.

4. Approach

The evaluation will cover Danish bilateral assistance to VET during the period 1990-2000 and will be carried out within the framework of the Danida Guidelines for Evaluation (1999).

The main focus of the evaluation will be on the bilateral programme. However, it is recognised that important conceptual development within the field of training takes place in research institutions, multilateral agencies, and international networks. The evaluation will therefore place the Danish supported activities in this broader context in order to see to what extent they correspond to the state of the art in the period under examination.

Phase 1 that will set the international research context as well as provide an overview of all VET-activities approved by Danida between 1990 and 2001.

Phase 2, country studies in three to four countries that will include all Danida-funded VET training activities whether multi- or bilateral, or NGO-executed.

And Phase 3, the combined analysis that will produce lessons learnt and recommendations for the future.

All supported activities must comply with the overall framework of Danida's poverty reduction strategy as expressed in Strategy 2000, with its three cross-cutting issues: promotion of equal opportunities for women and men to participate in the development process; promotion of environmentally sustainable development; and respect for human rights, good governance, democratisation and popular participation. More recently, the Partnership 2000 strategy, while endorsing the earlier criteria, adds particular emphasis on the HIV/AIDS epidemic in partner countries, as well as the need to address children and youth as a target group that requires special attention.

Indicators will be developed by the consultant to measure at the level of each of the criteria. Qualitative indicators for assessment of the relationship between training and employment and empowerment of underprivileged men and women such as access to and control over resources, division of wage labour and unpaid labour within the household and aspects concerning status, equality and quality of life should be gender based.

Quantitative indicators will be used as much as possible. Questionnaire surveys may be considered as one way of collecting data for quantitative analysis. Tracer studies should be used where information is available or, when it is not, tracer interviews should be organised during the field visits.

From an operational point of view the evaluation will embrace activities defined as "vocational education and training" under the DAC code nos. 113 and 115. The evalua-

tion will be concerned with the VET sector broadly defined, and thus the entire network of public, private and non-governmental organisations.

Phase 1: desk study

Phase 1 will comprise a desk study of relevant background papers, research reports, project reports etc. and interviews with representatives from Danida, Danish NGOs, Danish VET researchers, the Danish resource base, the international VET community and other relevant informants.

The desk study will provide an account of the state of the art with regard to training in developing countries in the age of globalisation, as well as an overview of the results of Danish bilateral assistance to VET 1990 – 2001. A format will be developed by the consultant, which will allow for comparison of key data from the projects.

A one-day workshop on the findings, conclusions and recommendations of the desk study will be held in Copenhagen before the start of phase 2 in order to adjust the scope of the field studies, if needed.

Phase 2: field studies

The purpose of the field studies is to further explore issues identified in Phase 1 and to validate preliminary findings and conclusions from Phase 1. The field studies will therefore address the same issues as the desk study, but also additional issues, which best can be explored at field level. Unlike phase 1, the scope in phase 2 is extended to also include Danida-funded VET activities executed by Danish NGOs or multilateral organisations in the counties under study.

Phase 2 will comprise field studies in three to four countries and will include:

- a) consultations with Government officials, staff members of the Danish Embassies and NGO representatives;
- b) interviews with persons responsible for VET activities e.g. technical advisers, representatives from ministries, local authorities and communities, local NGOs, researchers and relevant donors;
- c) surveys of and/or interviews with representatives from the target groups e.g. school leavers, youth, unemployed; and,
- d) visits to a representative sample of VET providers representing different VET problems and socio-economic situations.

The identification of countries for the field studies will be based on the following criteria: 1) At least one country will be a Danida programme country where the VET sector is a component in a sector programme, and 2) At least one country where Danish assistance to the VET sector over the last ten years have been considerable. Furthermore, countries from both Asia and Africa shall be represented.

Based on these criteria the following countries have tentatively been identified as candidates for the field visits: Yugoslavia (Kosovo), Indonesia, Thailand, Bhutan, India, Ghana, South Africa, Kenya, Eritrea, Tanzania, Malawi and Zambia. Only in the four last mentioned countries is VET included in sector programme support. The final selection of countries for the field studies will be based on the findings of the desk study.

Local consultants will be involved in the evaluation at country level to conduct surveys and tracer studies prior to the field work, as well as participate in the field work itself. The findings, conclusions and lessons learned from the field studies will be presented during one-day workshops at country level and in Copenhagen, where the outline for the synthesis will also be discussed.

Phase 3: synthesis

Phase 3 will synthesise the findings of the first two phases and compile relevant “lessons learned” and “best practices” in order to improve the performance of future Danish bilateral interventions in the field of VET. Furthermore, the synthesis will include an overview of the results of Danish bilateral assistance to VET over the last ten years. The findings, conclusions and recommendations from the country specific evaluations will be included in the synthesis. Special attention will be given to issues identified during the field studies. “Lessons learned” and “best practices” shall address both basic issues concerning the VET in the developing countries and specific issues related to sector support programmes.

5. Scope of work

The evaluation shall comprise but not necessarily be limited to the following:

Desk study:

The desk study will:

1. identify the main issues emerging from research on employment and training in developing countries and summarise state-of-the-art knowledge in this field;
2. provide an overview of the main trends in terms of economy and employment in the poorer countries 1990-2000;
3. describe the changes over time in the concept of VET and the main strategies used for VET improvement during the period, with emphasis on significant changes in both national and donor strategies;
4. describe the relevance of Danida’s policies and strategies for VET both in relation to international trends and to the political, economic and social setting in the developing countries;
5. assess any shift/changes in the main internal strategies for VET provision in selected developing countries, their relevance for the political, economic and social settings and how Danida has adapted to these shifts;
6. describe measurable achievements (outputs) of Danish assistance to VET;
7. describe the target groups for Danish support in terms of poverty groups, gender, youths, or other identifiable criteria;
8. assess the nature and strength of the links to the overall Danish development cooperation framework, including the cross-cutting issues;

9. assess the perceived impact of Danish assistance on VET policies and strategies, planning and implementation at national and international levels;
10. analyse the transition from a project approach to a sector programme approach in relation to Danida financed VET programmes;
11. identify key issues, constraints, problems, strengths and facilitating factors which have had major influence on the implementation of Danish assistance to VET;
12. propose countries suitable for further study in the field.

Field studies:

The field studies will typically address some or all of the following tasks:

1. analyse the economic trends in the country 1990 – 2000 and their impact on the employment situation;
2. describe any major changes in the internal strategies for VET delivery in the country, and assess their relevance for the needs of the labour market;
3. assess the extent to which Danida-supported, new VET policies are realistic and implementable, considering the available capacity;
4. assess the commitment of the Government to support VET and the priority accorded to it within the overall context of scarce resources;
5. describe the roles of the private sector and NGOs in financing, planning and implementing of VET activities;
6. describe the roles of the public sector in financing, planning, implementing and monitoring of VET activities;
7. assess the potential sustainability of joint financing arrangements (government/donors/user) e.g. levy systems or similar arrangements for funding of VET services;
8. assess the involvement of the stakeholders, in particular local communities and the target groups, in planning and implementation of VET activities;
9. assess the appropriateness and relevance of Danish technical assistance in relation to capacity building in the public and private sectors of the VET system;
10. assess the extent to which Danish funding of buildings and/or equipment has contributed to the creation of relevant capacity;
11. assess the quality of target group analysis, including poverty and gender aspects;
12. assess the extent to which women and men, as well as other target groups (poverty groups, the disabled) have received the foreseen benefits;
13. assess whether cross-cutting issues such as safety and health, HIV/AIDS, and equal access to training for women and men have been effectively dealt with;

14. evaluate how access criteria (e.g. knowledge, academic criteria, cost) can prevent certain target groups from using the VET system, and assess to what extent Danish assistance has improved access of the poorest sectors of the population to VET services;
15. assess the extent to which the Danish assistance has contributed to provide learners with employable skills, including skills for self-employment;
16. assess the extent to which the supported training has in effect led to wage or self-employment of male and female learners;
17. assess the extent to which assisted training providers have become more proactive and demand-responsive;
18. assess the cost efficiency and sustainability of Danish assistance to VET in terms of training costs per learner/month; relations between investments in TA, infrastructure and equipment, and facilitation (e.g. allowances);
19. assess the potential synergy, complementarity and conflict between the bilateral Danish sector programme support, Danish NGOs and Danish support through multilateral organisations; and,
20. assess complementarity and co-ordination of donor assistance to the VET sector.

6. Work Plan

The evaluation is planned to take place from September 2001 – March 2002. The anticipated time schedule is as follows:

- | | |
|--------------------------------|------------------------------|
| 1. Desk study: | September/October 2001 |
| 2. Workshop on desk study: | October 2001 |
| 3. Field studies: | November 2001 – January 2002 |
| 4. Workshops on field studies: | January 2002 |
| 5. Draft report (synthesis): | February 2002 |
| 6. Workshop on draft report: | February/March 2002 |
| 7. Final Report | April 2002 |

7. Composition of the Evaluation Team

The evaluation team should represent a wide range of expertise in the field of VET and sector support programmes and cover the following areas of expertise:

1. VET planning and implementation in government programmes in developing countries;
2. Labour market analysis;
3. Tracer studies;
4. VET economics;
5. Employment generation, informal sector activities, small and medium scale enterprises;

6. Gender issues especially in the VET sector;
7. VET facility construction and maintenance.

The team is expected to consist of three persons who are able to cover these issues between them, plus one or more local consultant(s) in each country where field studies will be carried out. In addition, the evaluation team should include a professional language editor (copy editor).

Evaluation Secretariat, July 4, 2001

Annex II. Employment and Skills Development in the Age of Globalisation

1. Introduction

The period covered by this evaluation of Danida's support to skills development, 1990 – 2001 has been characterised by major shifts in understandings and realities in both skills development and the world-of-work. At the same time, ideas about the priorities and methods of development cooperation have also changed significantly. Globalisation is key to many of the changes. However, it is by no means the only influence on aid, skills and work.

This Annex lays out some of the major trends and issues in skills development, work and development cooperation in the last 12 years before considering what implications these might have for Danida's future skills development activities.

2. Work and Employment

At the global level there have been a range of shifts in economies, technologies and work. These shifts reflect the emergence of new trends and phenomena. However, there is an extent to which they can be seen as being more the result of changes in understandings and ideologies that have served to reveal processes that were already present.

2.1. Technological Change

The last 12 years have seen a major acceleration in the rate of technological change, particularly in the advanced capitalist economies as well as in China. The emergence of new products and services is growing at a historically significant rate. Current economic trends are believed to place an emphasis on a new range of knowledge and skills. The international shift away from mass production and mass consumption has been linked to a new emphasis on design and value-added. The overall shift in economic activities away from production and to services also leads to some emphasis on the knowledge and attitudes of those who provide high value services, although it is crucial to note also the greater knowledge embedded in many products. This is where the knowledge economy emerges as a notion in which high quality knowledge and skills become the motor of economic development and international competitiveness. However, it is vital to note that the knowledge economy is often more dream than reality. Moreover, whilst India and South Africa do have some plausible claim to have knowledge-intensive economic sectors or sub-sectors, this is far harder to maintain in the case of Bangladesh, Tanzania or Zambia. Even in India and South Africa, the majority of workers remain in activities that have been largely unaffected directly by the emergence of new technologies and knowledge-related working practices.

2.2. Liberalisation

The emergence of the World Trade Organisation has reinforced and accelerated a trend towards greater trade liberalisation and a reduction in the economic role of the state. However, it can be argued that OECD economies have been more able to circumvent such trends and have kept in place a range of obstacles to free trade. The effects of liberalisation differ by sector and country and even within sectors at the country level. There is clear evidence of the collapse of both formal and informal sector activity in many areas in Africa in particular. New imports have highlighted the non-viability of production that was previously protected by tariff barriers. Competition has often been on very unequal terms. Large corporations from OECD or East Asian countries have been able to cross-subsidise sales into new markets. Often, they have also dumped out-of-fashion or damaged goods. Equally, both local and international entrepreneurs have undermined domestic industries through the importation of second-hand goods. This has been most significant in the clothing sector. Overall trends in a number of African countries point to an increasing deindustrialisation rather than industrialisation. This is highly significant given the emphasis in traditional development strategies on the industrial sector.

However, new opportunities have also emerged. The reduction in import barriers has allowed cheaper importation of raw materials and capital goods, such as lathes. This has allowed some Southern producers to innovate or become more competitive through lower prices. This has often been more to the advantage of smaller, more flexible firms. The removal of quantitative barriers to trade, such as quotas and licenses, has reduced an important source of bureaucratic corruption. This also has benefited domestic industries. Again, the benefit of this is likely to be relatively greater for smaller producers. The opening up of export markets has also been to the benefit of some economies, firms and individuals. There is relatively little evidence of this bringing advantage to small producers, especially in sub-Saharan Africa. However, there are large scale examples of it bringing employment, especially in South and South East Asia, North Africa and parts of Latin America and the Caribbean. Much of this employment has come in export processing zones. Increasingly, the Information and Communication Technology (ICT) Revolution has allowed data processing to be moved off-shore to places such as Bangalore in India. Horticulture too has seen an expansion in developing countries, with Zambian exports of green beans being one of a number of examples. However, it is important to note that the prospects for agriculture in general as an export earner are poor. This is true also for other primary production. This is potentially very serious for the typical Southern economy with its relatively good endowment of natural resources and poor level of competitive skills and knowledge.

Manufacturing also shows a downward trend in its share of both trade and output. The terms of trade for manufacturing from the developing countries as a whole has been in decline throughout our period of study. One effect of this has been to push wages further down.

2.3. Foreign Direct Investment

Foreign Direct Investment (FDI) has shown overall growth during the past 12 years. However, it has been very uneven geographically. Although there appears to have been some growth in flows to sub-Saharan Africa, these have grown less rapidly than to other regions. Moreover, FDI in the region has been very heavily concentrated on the oil

sector, which is confined to a small number of countries. Indeed, there is some evidence of disinvestment. This is because liberalisation makes it more efficient to export to small African markets than to produce in them. South Asia has also performed badly, receiving levels of FDI roughly comparable to those for the sub-Saharan region. The lack of FDI into these regions is a problem as it is an important source of skills and knowledge transfer.

2.4. “Brain Drain”

Globalisation has also been linked to the acceleration of the process popularly known as “brain drain”. Economic disparities between North and South and a demographic slow down in the OECD countries have encouraged a flow of skilled and educated workers into the OECD countries from poorer parts of the world. In many cases this has been pursued very aggressively by Northern economies, states and universities. In Britain, for example, the importation of teachers and nurses from countries such as South Africa has been seen as a way of overcoming a crisis of recruitment and retention. Such “poaching” has been criticised both as a drain on the resources on poorer countries and as a means of avoiding paying decent wages to indigenous public service professionals in the North. However, it is possible to see the process as more complex and mixed in its effects. For instance, the large numbers of expatriate ICT professionals from India and South Africa do bring the possibility of gain for their countries in terms of capital, knowledge and skills. However, this is dependent on mechanisms and attitudes that lead to reinvestment at home, rather than in the host country.

Intra-regional migration has a long history. It is most pronounced where there is a large, dominant regional economy. Both India and South Africa qualify in this respect. The case of South Africa is a particular one because of the strong development of its settler economy from the late nineteenth century, and its role in destabilising neighbouring economies as part of the military strategy to defend Apartheid. Such countries are able to attract large numbers of the best educated and skilled workers from neighbours. However, this can lead to significant tensions domestically because of large numbers of badly educated and poor nationals. Moreover, the situation is further complicated by the high marketability of workers from the dominant regional economies. The better quality higher education systems of these countries make their better qualified workers much more internationally attractive than those of neighbouring countries. This process has been accelerated further by the growing internationalisation of higher education and training. It is these higher income countries that are the most attractive markets. This results in the production of more graduates with internationally marketable qualifications.

2.5. The Role of Micro and Informal Enterprises

In many countries in the South, such as Tanzania and Zambia, the formal sector has never been the “real” economy. This is notwithstanding the long official opposition to the informal sector in Tanzania and elsewhere. The 1990s saw a significant shift in official attitudes to the informal economy in many countries. First, structural adjustment and multipartyism had the effect of making many governments more accepting of both the existence and importance of the micro and informal economy. Second, although adjustment brought many new challenges for the micro and informal sector, both the survivalist and growth elements of the sector grew relative to the large-scale, formal sector. The decline in formal employment led primarily to a growth in survivalist activi-

ties, whilst more dynamic micro and small enterprises were often more adept at responding successfully to the new environment than their larger rivals.

The distinction between survivalist and growth micro and small enterprises is useful though obviously over-simplistic. The majority of those working within such enterprises are very poor with very limited skills. However, it is important to note that there are sizeable numbers with higher skills and incomes. Indeed, a distinction between skill-intensive and non-skill-intensive activities might merit further exploration. Many of these individuals are simultaneously engaged in both the formal and informal sectors. This is a phenomenon of OECD as well as developing country economies.

2.6. Business Linkages

The 1990s saw a large literature on industrial and economic development, North and South, that placed major emphasis on the role of industrial districts. Collaboration between firms within the same related area of production, and with those who provide services to such clusters, have been identified as an important source of learning and competitiveness. Such networks often include a strong presence of linkages between firms of different sizes. Indeed, the presence of a strong network of sub-contractors has been seen as an important element in the success of large corporations in countries such as Japan. However, it is relevant to note that the evidence for success in such networks remains far weaker in Africa than in Asia or Latin America. This is in spite of the large clusters of enterprises in some African cities.

2.7. The Gendered Nature of Changes to Work and Employment

The rapid economic changes of the 1990s and the start of the present decade have been highly gendered in their effects on employment. The structural adjustment-driven decline in public sector employment has had a relatively worse impact on female employment. In the face of global tendencies towards sex discrimination in employment, it has often been a role of the state to act as a relatively equal opportunity employer. In so far as new employment is in areas requiring high levels of skills or knowledge this also tends to disadvantage women due to the historical limitations on their access to education and training. On the other hand, economic changes can also be seen as having a positive impact on female employment. The growth of export-processing zones in some countries, such as Bangladesh, has tended to lead to a relative rise in female employment and incomes. However, the challenge of decent work in such settings remains particularly acute. The relative shift in employment towards services and away from production also relatively advantages women due to historic gender divides in the two sectors.

3. Skills Development

Skills development has undergone a major shift in theory, practice and policy over the period that is being evaluated. There are two broad elements to this shift. First, understandings of what skills development is about have been transformed by an analysis of the changed skills needs of the OECD economies. The relevance of these trends to the South is limited. However, the translation of such ideas into “international best practice” has meant that they have had a significant impact on the understandings of those involved in training in the South. This may be illustrated by the widespread interest in

competency based modular training or national qualifications frameworks. Second, the training agenda in the South has been dramatically changed at the same time by the direct and indirect impacts of new economic policies and trends affecting the South. Structural adjustment played a central role in these changes.

3.1. From Technical and Vocational Education to Skills Development

One of the most significant shifts in support to training is at the level of language, at least in so far as English is the principal development language. In 1990 the basic term used was that of “technical and vocational education and training” (TVET – or sometimes just “vocational education and training” [VET]). Now there is increasing use of the term “skills development” (SD). This is reflected in the name change during 2000 of the donor coordination group in this area, and in the Danida shift in its policy papers from VET to SD.

This shift in language reflects a move of deeper significance. Part of the effects of globalisation has been to bring about a rethinking of the nature of both knowledge and skills. Both these outcomes-oriented terms have become relatively more important in policy and practice. At the same time, the more input-oriented terms of education and training have seen a relative decline in usage. The notion of training was linked to a narrow range of sectors and levels of employment. It was linked to separate institutions or seen as a distinct part of schooling. In either case, it was seen by many as lower status than education. It was typically to be done in youth or early adulthood. It formed part of the transition to both adulthood and employment. However, this was not universal and the transition also had strong class and gender dimensions. In India it was closely tied up with caste; in South Africa, with race.

The 1990s saw a softening and broadening of the notion of skills. Skills now are seen as important as part of education’s role in labour market preparation. Thus, we see an emphasis on problem-solving, communication, teamwork and other “core” skills. The growth of ICTs have led to an increasing focus on skills relevant to this area. Even in technical areas there has been growing attention to the softer elements of design. Rapid technological change has reduced the weight given to pre-service training. Instead, notions of reskilling and lifelong learning are given greater priority. Technological change also has encouraged a narrowing of the divide between education and training. The division makes less sense within the post-industrial emphasis on services over production. It also has reduced relevance when the stress even in the productive sector is on becoming cleverer.

These trends are largely confined to the OECD and NIC economies. However, they have come to shape the understandings of many policymakers and practitioners working in the South, both in agencies and their partner organisations.

3.2. The Adjustment of Training in the 1990s

The nature of training in the South, particularly in Africa, underwent radical changes during the 1990s. This was closely linked to overall strategies of structural adjustment. Funding for public training provision declined markedly in many cases. This was exacerbated by the shift in many agencies’ emphases towards basic education. Institutions found themselves forced to spend more time in cost recovery. Whilst this was some-

times successful, there are also frequent concerns about the danger of production taking precedence over training.

Adjustment seems overall to have weakened public providers. There is evidence of some greater responsiveness of such institutions to their clientele. However, underfunding and a weak economic environment have undermined their ability to respond successfully.

There has been a growing acceptance of and support for private provision of training during this period. However, it must be noted that there is a large amount of public sector training provision still present internationally. Governments have been very reluctant to abandon such provision. There remain concerns about the quality and quantity of private-for-profit provision. Private providers are readier to engage in skills formation in commercial areas of computing. The high capital costs of industrial training have made this a less attractive area in which to become involved. Private training tends to be located in major cities. Inclusivity remains a concern. Funding mechanisms such as vouchers and levies have had mixed results. The quality of such training is mixed. Evidence from Latin America highlights the dangers of growing privatisation for staff, curriculum and materials development.

Since the beginning of the 1990s there has also been a strong donor view that enterprise-based training is preferable to that based in training institutions. However, the wider impact of adjustment has undermined such provision in many countries. Corporate investment in human resources development tends to be pro-cyclical. This means that investment is reduced when economies are struggling. This is likely to have been the case in most of the countries supported by Danida. Therefore, it is important to address how to support skills development in conditions of economic weakness.

One major element of the adjustment of training in Africa has been the emergence of national training agencies. As one of the leading supporters of skills development in Africa, Danida has played a very important role in the spread of such agencies. Such agencies are seen as valuable as they can move control of skills development out of the hands of government and into the hands of business. However, their performance has been weak. Governance structures and financial mechanisms have often not operated as planned. It is unclear whether such systems can be successful where formal sector firms are very weak, and where the informal sector is the principal source of employment.

3.3. Skills for Globalisation

Globalisation has had some practical impact on skills needs in Africa and South Asia. Liberalisation has led to a growing need for skills in meeting the requirements of ISO 9000 series quality assurance, for instance. In some countries, there has been an attempt to structure all education and training under a National Qualifications Framework. This is a direct response to globalisation. Such a model is present in South Africa and is under development in Malawi. It is planned that there will be a Regional Qualifications Framework for the Southern African Development Community. However, the development of the South African system has proved to be very slow and complex. Questions remain about its suitability to the needs of subsistence agriculture and the informal sector. These challenges are likely to be even more acute in the poorer countries of the region.

3.4. The Internationalisation of Skills Development

Globalisation has accelerated the global trade in education and training. As part of national responses to globalisation, provider institutions in countries such as Britain and Australia have become more aggressive and ambitious in their marketing of their provision globally, or in selected markets. In many cases these institutions are being assisted by their governments. Much of the recruitment continues to use the traditional approach of bringing students to study in OECD countries. However, new ICTs make other modalities more attractive. There has been a major growth in distance provision, using a range of technologies. There has also been a growth of franchising arrangements.

The increasing availability of foreign qualifications has major implications for national qualifications systems. National awards have lost status and economic value. Governments are forced to make their awards more compatible with higher status OECD qualifications.

Sub-Saharan Africa and South Asia have not been major markets for this internationalisation. This is due largely to their greater poverty and lower economic development relative to East Asia. However, foreign qualifications are very popular among those who can afford them in these countries. Liberalisation has increased demand through raising the incomes of the wealthiest and through easing foreign currency regulations. Globalisation makes such awards more attractive as they open up the possibility of accessing regional and global labour markets. Such qualifications represent a significant drain on the finances and potential of national systems of further and higher education and training.

3.5. Skills and the Informal Sector

Interest in training for the informal sector grew massively during the 1990s. However, the impact of such interest remains very limited. Both agencies and governments have increasingly acknowledged the importance of the informal sector for both growth and poverty reduction strategies. They have also seen skills formation as an element in this. However, official understandings of and commitment to the informal sector remain weak in practice. For most of the 1990s support to the informal sector was heavily concentrated on micro-credit schemes. Many of the skills-oriented interventions were as much concerned with finding a new rationale for public training providers as with addressing the needs of micro and informal producers.

There are significant skills needs in the informal sector. The further development of skills in the sector is a necessary but not sufficient condition for its evolution. There are many within the sector who have had formal education, training and employment, and who bring a good level of knowledge and skills to the sector. There are others who through learning in the sector and innovation have developed significant levels of competency. Nonetheless, there are clear weaknesses in the overall skills portfolio of micro and informal enterprises. Knowledge of relevant theory is poor. Few enterprises have what would be considered externally to be adequate skills and knowledge about environmental sustainability or health and safety.

The best evidence for success lies in programmes that have sought to improve the skills of those already working in micro and informal enterprises. Such interventions have

often been long-running, as in several of the West African examples. They have worked closely with informal sector associations. They have sought to engage such associations in the planning, management and certification of the enhanced training. However, not all such schemes have been successful. Income levels within the informal sector make it particularly sensitive to the influx of large amounts of donor funding. Many projects have seriously distorted both skills formation and social relations within the informal sector. It is easier to support already well-established indigenous systems of skills formation than to enhance weaker systems or bring new systems into being. Nonetheless, there is some evidence that suggests the possibility of such an approach being applied in quite a wide range of countries.

3.6. Skills and Poverty Reduction

Skills development has an important role to play in poverty reduction. Skills development has been largely neglected in the development of poverty reduction strategies. However, it is clear that skills are important to the ability to access and maintain sustainable livelihoods. It is also evident that the broad based growth necessary to ensure that poverty reduction reaches the majority will have to be based on a wide base of skills utilisation. A broad skills-based development strategy is more likely to bring real poverty reduction than some blind faith in liberalisation, globalisation and FDI. Such a broad strategy would include all levels and elements of both skills and economic activity. It is important to bring the skills development and poverty reduction agendas closer together.

3.7. Skills and HIV/AIDS

HIV/AIDS both reduces current levels of skill and depresses future investments in skills development. The disease is having its most serious effect on sub-Saharan Africa. However, its impact is also projected to rise in South Asia. The effects of AIDS are massive on the personal, family and social levels. They are also very serious economically. Evidence suggests that skilled labour is relatively badly affected. This adversely affects output and places increased burdens on education and training systems. In Zambia, for instance, it has been estimated that more teachers are being lost through ill-health than can be replaced by the current graduates of teacher training. Moreover, the burden of dealing with HIV/AIDS is likely to depress corporate and family investments in education and training.

4. Development Cooperation

Shifts in skills development and work provide only a partial context for the challenges currently faced by Danida. Danish development cooperation in skills development is strongly influenced by broader ideas about development cooperation priorities and processes. Here, Danida is both a trendsetter and a follower of broader inter-agency trends.

4.1. The Poverty Agenda

Danida has been strongly involved in the emergence of the poverty focus to development cooperation. The World Social Development Summit of 1995 in Copenhagen was an important milestone in progress towards a series of International Development Targets (IDTs). These targets have become the centrepiece of the development coopera-

tion strategies of a number of agencies. Moreover, the OECD is developing a system of monitoring of agencies' performance against a set of indicators linked to these targets. Most agencies are committed to shifting resources towards those sectors and activities most related to the IDTs.

4.2. Sectoral and Multi-sectoral Programmes

Denmark has also been at the forefront of the increasing agency focus on sector programmes. Such programmes place much more emphasis on programmes and policies than on projects. They also emphasise the importance of partnership. This is to be led by the national government, but should be in conjunction with civil society and with the full range of donors involved in the particular sector. These dual strands of poverty focus and nationally-led sector programmes has been taken further by the World Bank through the promotion of the Poverty Reduction Strategy Paper (PRSP) approach.

4.3. Cross-cutting Development Objectives

Aid to a particular sector is no longer judged so much on its technical merits. Rather, there is a growing emphasis from a number of donor countries on the need for all aid to meet a set of cross-cutting objectives. As well as poverty reduction, interventions are increasingly expected to contribute to good governance, gender equality, environmental sustainability, etc.

4.4. The Declining Importance of Support to Skills Development

The new emphases in development cooperation have major implications for support to skills development. The absence of skills from the language of the IDTs has undermined international support to training, as it was traditionally understood. Building on the emphasis on Education for All, the IDTs have shifted overall resources towards basic education. Sector programmes are leading a number of agencies to concentrate on a few sectors (3-5) in a few countries (c20). This furthers the likelihood of skills development receiving reduced attention. Moreover, skills development is by its nature cross-sectoral. This makes it harder to organise into sectoral programmes than education or health. It also implies the need for a skills development perspective to be included within all sectoral programmes.

This reduction in emphasis on skills development in cooperation activities is not consistent with OECD governments' own programmes and policies at home. In these countries, skills development has been identified as a central element in competitiveness strategies. This is reflected, for instance, in the latest title for the English education ministry: the Department for Education and Skills. Across the OECD countries there has been a strong emphasis throughout our period of study on the importance of a greater vocational focus for education, and the importance of higher level knowledge and skills. This is far from the basic and academic emphasis of many donor programmes in the South.

4.5. The Need for New Skills in Supporting Skills Development

The programme focus also has major implications for the traditional focus of training on projects. Such projects have often concentrated on a single institution or group of them. The support that has been given has been technical and provided in the form of

equipment and expertise. Both of these are brought into question in the new approach to aid. First, the equipment has often been in the form of tied aid. This is increasingly seen as unacceptable. Second, the technical expert typically lacks the policy, negotiation and analytical skills needed to do sector programme work. The emergence of cross-cutting aid objectives also requires these experts to become more skilled at thinking and acting cross-sectorally.

5. Implications for Danida

These major changes in work, aid and skills require Danida to rethink its support to skills development. This process is well under way at the policy level. Our analysis points to a number of issues that may be of importance at the levels of both policy and practice.

5.1. Skills Development and Pro-poor Development

Skills development can play an important role in pro-poor development. It is important for Danida to continue to make this case. It is crucial for Danida to ensure and demonstrate that enhanced skills can make a contribution here. The role of skills development in pro-poor development is in need of further analysis. Here it is particularly important to understand better the relationship between skills development and other elements of a pro-poor strategy.

Having a pro-poor focus to skills development does require a shift in approach. It is important that pro-poor skills development should start from an understanding of the existing skills of poor people; their means of skills acquisition and their remaining skills needs. It is unlikely that existing formal public or private providers are generally well placed to meet these needs.

However, pro-poor growth and pro-poor skills development must be holistic in vision. There is a close, though complex, relationship between poverty and growth. Equally, the health of the informal sector is tied up with that of the formal sector. A successful pro-poor development strategy will have to include an approach to promoting skills for the rural and urban economies; export and domestic markets; self-employment and wage-employment.

Skills development can and must also contribute to other elements of the pro-poor development agenda. This is very challenging. Old style training was highly gendered. New economic and technological trends bring new threats and opportunities for the skills development and work of both men and women. It will be important to continue to develop practices that promote inclusivity, but which also address labour market constraints and cultural values. Environmental sustainability is a weakness of most enterprises in most countries. It will be particularly challenging to develop awareness of the issues and the skills to tackle them in conditions of deep poverty. There is little in the way of “good practice” here. Indeed, Danida may well have to play a significant role in its emergence in its next phase of support to skills development.

The ILO’s slogan of “decent work for all” is an important commitment and challenge for those working in skills development. It focuses attention on the challenge of promoting safety and health as part of skills development. This is another difficult task for

skills development given the complex attitudinal and environmental factors involved. It is yet another area where Danida commitments will need to focus in part on learning how to deliver more effectively. Another element of the decent work agenda is child labour. Again, Danida has made a strong commitment to meeting the particular needs of children. It is important, therefore, to think through what this means for skills development.

5.2. Skills Development and Growth

Skills development has an important role to play in strategies for improved growth and international competitiveness. At the country strategy level it is important that Danida, other agencies and national stakeholders discuss how skills development can better equip people to respond to economic opportunities and challenges from the global, regional, national and local levels. It is also important to have similar analysis at local levels within countries. In this way the notion of local economic development can be complemented by a notion of local skills development.

5.3. Skills Development and Sector Programmes

Combining skills development and sector programmes brings three levels of challenge for Danida. First, the skills “sector” is harder to define than many others and collaboration within it is often weak. A major problem here is the way in which the skills portfolio at the national level cuts across ministerial boundaries. This problem is often replicated at the agency level – with skills for the informal sector often separately organised from those for the formal sector. The existence of the informal sector as major stakeholders in skills development also brings challenges. Relationships between the sector and governments and donors are still often poor.

Second, skills development is often treated as a sub-sector of education. Even where education sector programmes do include a mention of skills development, this is problematic. On the one hand, conceptualisation of the skills development debate by educationalists is typically weak and outdated. The emphasis remains primarily on the old notion of TVET and on the role of public providers. On the other hand, resourcing for the skills development element of education sector programmes is typically very poor or non-existent.

Third, the importance of skills development across all sectors brings major challenges to those trying to coordinate skills development activities. It requires them to be able to influence skills development activities across all sectors. It suggests a need to get the skills development agenda understood by those working in all sectors. The National Qualifications Framework approach seems to offer some assistance in this area. It is intended to require all skills development activities to be carried out and certified according to a set of cross-sectoral criteria. However, the effectiveness and feasibility of such frameworks in poor countries remains a matter of considerable controversy.

5.4. Skills Development and Training Providers

The issue of support to training providers has not yet been satisfactorily answered. The shifting emphasis in support to training providers since the beginning of the 1990s has brought a new focus on private providers. However, there is no “best practice” in how to support or regulate private provision.

Public providers continue to be supported, although less generously. However, the evidence for their successful adjustment or relevance to economic challenges remains limited. Their future role in supporting either formal sector or informal sector skills development is unclear.

Large scale enterprises are generally seen as an important and efficient source of skills formation. However, economic crises in many countries have seriously undermined their capacity and commitment in this regard. The limits to FDI in both sub-Saharan Africa and South Asia highlight the need for caution about their likely future role.

The informal sector is the principal location for skills formation in most of the countries supported by Danida. There are strong reasons for enhancing this provision but this requires great sensitivity.

NGOs also play a role in skills development, often for the poorest. However, their scale and impact can be questioned.

It is essential that Danida is clear about the role of each of these modalities, and how it can support those it considers important. It is also crucial that Danida be clear about the future sustainability of the parts of the system it does not support. The future of public training provision is particularly important to address as this has traditionally been the most highly supported sub-system.

5.5. Skills Development and Partnership

Enhancing widespread participation in the planning, delivery and oversight of skills development is an important challenge for Danida. Sector programmes do bring a stronger focus on partnership with governments and their agencies. National Training Agencies can ensure a greater role for formal business. However, much more needs to be done to address the genuine partnership in skills development of the informal sector, communities, parents and students.

5.6. Skills Development and Capacity Building

The new approach to skills development, as part of a new version of development cooperation, brings major challenges to staff and institutions. This is as true for Danida as for its national partners. It is crucial to the success of Danida's new skills development strategy that capacity building be prioritised in Denmark and in partner countries. Part of the challenge will be in reskilling existing staff. However, it is clear that a new type of skills development also means the recruitment and formation of a new type of skills development professional.

Annex III. Overview of Danish VET-support

Annex III is a supplement to chapter 3 and provides in the first two tables a list of the projects which have been included in the evaluation. Subsequently, a more elaborated list is included which provides a short description of each project and project allocation.

Further information as e.g. the projects classified by type and input are available on the enclosed CD-rom.

Overview of projects included in the evaluation

AFRICA

Tanzania

- SPS Business Development Programme Support to VETA Component
 - Vocational Training Support Programme
 - Workshop for VET advisors and local Counterparts
 - Review of the Vocational education and Training Programme in Tanzania
-

Zambia

- SPS to Technical Education, Vocational and Entrepreneurship Training (TEVET)
 - Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) Implementation Project
 - The Skills Training and Entrepreneurship Development Project
 - Danish Electrical Organisation, Kabwe
-

Uganda

- Rehabilitation of selected facilities at Institute of Teacher Education Kyambogo (ITEK)
-

Zimbabwe

- Education and organisation of construction workers in the Southern Africa
 - Redcliff Municipally Training Centre
-

South Africa

- Provincial Skills Development Project
 - Provincial Skills Development Pilot Project
 - Support for Labour Market policy Development
 - Manufacturing Advisory Centres (MAC) Pilot Programme
-

Malawi

- Support for Technical, entrepreneurial and Vocational Education and Training (TEVET)
 - Support to formulation of a national Technical and Vocational Education and Training policy
 - Support to Livingstonia Technical College
 - Support to Mzuzu Musical & Performance Theatre Society and the Luwanga Development Foundation Trust
-

Eritrea

- Danida TVET Support Programme
 - Laboratory Equipment and furniture for Hagaz Agro-Technical School
 - Vocational Skills Training
 - Purchasing of Equipment for Asmara Technical School and Makalasse Skill Development Centre
-

Burkina Faso

- Support to shortterm education of representatives of the public and private media (Appui à la information de courte durée des agents des organes de presse public et privés).
 - Support to the Inter African centre for Rural radio, Ouagadougou. (Appui au Centre Interaficain d'Etudes en Radio Rurale de Ouagadougou (CIERRO)).
 - EIER & ETSHER 42212
-

Overview of projects included in the evaluation

Kenya

- Micro Enterprise Development Project
 - Management System for the National trade Test in Kenya
-

Mozambique

- A policy review for Technical Education and Vocational Training in Mozambique
 - Education in Forming at Secondary School, Tete
 - Technical School Project
 - Rehabilitation and Extension of Machine and Plate Workshop in Chimoio and Tete
 - Danida Support to CFP/DNA School
-

Benin

- Support to education of SMEs
-

Ghana

- Support to Volta River Authority Training Centre
-

Egypt

- Training of farmers in Egypt and Israel – Phase II
-

Ghana

- Support to Volta River Authority Training Centre
-

ASIA

Bhutan

- Production Training Centre
-

India

- Training at four Cement Factories
 - Tool Rooms Project
 - Gas Training Institute
 - Environmental Training Institute
-

Thailand

- Management Development of DOVE
 - Training in Aquaculture and Fish Processing Project at Ranong Agricultural College
 - Raindrop Vocational Training Project – Phase II
-

Indonesia

- Production Training Centres
-

Cambodia

- Capacity Development on School at Agriculture
-

Overview of projects included in the evaluation

Vietnam

- Rehabilitation of Ferry Operations at Highway 1A's Crossway at the Mekong River in Vietnam Phase II
 - Vocational Training for Poor and/or Handicapped Women in Thai Binh
-

Nepal

- Support to Shree Gandaki Technical Training Centre
-

Bangladesh

- Underprivileged Children's Education Programme
 - Vocational Education and Training
-

CENTRAL AMERICA

Nicaragua

- Transport and Training Equipment for Handicapped
-

Guatemala

- Labour Union Development Project
-

Bhutan

- Production Training Centre
-

ANNEX III – Overview of projects

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
AFRICA				
Tanzania				
104.Tanzania.809-1	SPS Business Development Programme – Support to VETA Component	1998-2002	61,760	This component of the Danida sector programme support programme to the private sector is a continuation of the “Vocational Training Support Programme” and primarily supports the Vocational Education and Training Authority (VETA). The component comprises support to the central level as well as an extensive decentralisation process. It will support the establishment of 8 regional boards each responsible for a training- and service centre, as well as a review of the curricula of the 60 trades being taught in the VET system.
104.Tanzania.64	Vocational Training Support Programme	1992 - 1997	138,080	The “Vocational Training Support Programme” aimed at strengthening education of artisans in Tanzania through support to the initiatives of the Government of Tanzania. The programme has supported the establishment of VETA and supported this unit in its effort to create a decentralised educational system. Furthermore, the project supported the development of the physical facilities at the Dodoma, Iringa and Mbeya regional schools.
104.Tanz.71	Final Support for Ardhi Institute	1993-1997	30,960	Danida supported the Ardhi Institute to ensure an annual output of professional personnel for Tanzania's Land Development Programmes and the Construction Sector.
104.Dan.4-52.k.7	Workshop for VET Advisers and Local Counterparts	2001	185	Support to a workshop for VET advisers and counterparts in Africa.

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
Tanzania				
104.Tanzania.160-158	Review of the Vocational Education and Training Programme in Tanzania	1999	150	Preparation of a summary and review of the Vocational Education and Training Programme in Tanzania to be presented at UNEVOC Second International Conference on TVE.
Total Tanzania				231,135
Zambia				
104.Zam.816	SPS to Technical Education, Vocational and Entrepreneurship Training (TEVET)	2001-2006	132,600	The objective of the TEVET Development Programme (TDP) is to create a TEVET system that will improve the skills of youths and others employed in both the formal and informal sectors of the economy. The Danish SPS programme supports the following components: (1) Capacity Building of TEVETA and TVTC (2) TEVET Development Initiatives, (3) TEVET fund Activities, (4) Support to reducing the impact of HIV/AIDS.
104.Zam.51	Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) Implementation Project	1999-2001	4,900	The TEVET act (Technical Education, Vocational and Entrepreneurship Training) from April 1998 aimed at restructuring the VET system in Zambia. This project supported the operationalisation of the act through its support to the establishment and functioning of TEVETA (TEVET Authority) which is responsible for technical education in Zambia.

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
Zambia				
104.Zambia.46	The Skills Training and Entrepreneurship Development Project	1997-2001	43,000	The objective of the project was to contribute to the development of a technical education which is oriented towards the labour market. More concretely, the project supported two technical schools as well as the establishment of entrepreneur centres in two regions in Zambia.
	Vocational Education and Entrepreneurship Training	1994-1996	4,260	The main objective of the project was to support a National Task Force in preparing a Statement of Policy and Intent for VET reform. Once this had been approved by the Government of Zambia (GRZ) in November 1994, the Secretariat prepared a detailed plan of implementation, which was presented in late 1996.
104.Zam.23	Dansk El-Forbund, Kabwe	92-95	200	Support to Kabwe School for continuation of education and skills training. The project focused on providing better facilities and materials for the electrical line of Kabwe School.
Total Zambia			184,960	
Uganda				
104.Uga.26/66	Rehabilitation of selected facilities at Institute of Teacher Education Kyambogo (ITEK)	1993 - 1995	2,780	To assist the Institute of Teacher Education Kyambogo (ITEK) in accommodating students from the Department of Special Education of ITEK until the Uganda National Institute of Special Education (UNISE) was completed.
Total Uganda			2,780	

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
Zimbabwe				
104.Zim.76	Clothing Design and Technical Institute	1994-1997	22,848	The objective of the project was to support Zimbabwe's clothing manufacturing industry through ensuring a supply of skilled designers, production managers and sewing machine mechanics.
104.n.11.6	Education and Organisation of Construction Workers in Southern Africa	1993-1995	2,000	The project supported education and organisation of construction workers in Zimbabwe and Namibia as well as initiatives to strengthen regional co-operation.
104.Zim.34/106	Redcliff Municipality Training Centre	1998-1999	260	The objective was to establish a metal-working training centre for school leavers from Redcliff. More specifically to train school leavers and prepare them for formal employment and to equip the youth in the town of Redcliff with metal work skills for self-employment.
Total Zimbabwe			25,108	
South Africa				
104.Sydafrika.35	Provincial Skills Development Project	1997-2001	23,200	The project supported attempts to reform the South African VET programmes. This was sought achieved through capacity building in the Ministry of Work and in relevant institutions by establishing a new line of VET called "Learnerships" which combined theory with practice.

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
South Africa				
104-Sydafrika.4.a.95	Provincial Skills Development Pilot Project	1997	960	The objective of the project was to conduct a labour market survey to identify and present future (short-term) job opportunities within two sectors in the Kwa-Zulu Natal province with a view to selecting 4 learnership apprenticeships to be developed during the PSD Pilot Project. Furthermore, the project sought to establish the necessary administrative infrastructure and the project organisation for the PSD Pilot project.
104.Sar.4.a/89	Support for Labour Market Policy Development	96-97	340	
104.sar.1/MTC	Manufacturing Advisory Centres (MAC) Pilot Programme	1997-1999	27,000	The aim of the project was to enhance technology use and productivity in small formal enterprises through a programme of advisory services. Beginning in 1998, Danish aid supported the establishment of two pilot MACs in Durban and Port Elizabeth.
South Africa total				51,500
Malawi				
104-Malawi.48	Support for Technical, Entrepreneurial and Vocational Education and Training (TEVET)	1998-2001	33,000	The aim of the programme was to contribute to the development of a qualified flexible workforce in Malawi. The Danish contribution supported 3 components (1) Establishment of an autonomous managing institution and a secretariat, (2) Development of curricula, teaching materials as well as training of teachers, and (3) Strengthening of 3 existing training institutions.

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
Malawi				
104.Malawi.40-12	Support to Formulation of a National Technical and Vocational Education and Training Policy	1997-1999	2,400	Danida supported a working group consisting of representatives from the different labour market organisations, teaching institutions, NGOs etc. The work group prepared a number of policy papers, a new legislation, and a strategy for its implementation.
104.Malawi.43-99	Support to Livingstonia Technical College	2001	1,038	The main objective of the project was to revitalize the dormant Livingstonia Technical College (LTC) and help it become a vibrant learning institution with direct linkages to the local community. Simultaneously the project supported LTC in becoming an integrated provider to the new TEVET system.
104.Malawi.43-45	Support to Mzuzu Musical & Performance Theatre Society and the Luwingu Development Foundation Trust	2001-2002	570	The main objective is to enable the two NGOs, MPAT and LUDEFO, to create a cultural centre in northern Malawi that can support cultural and regional activities within drama, musical entertainment, and civic education. The secondary objective is to pass on skills within playwriting, drama, and music and thereby contribute to income generation.
Total Malawi			37,008	

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
Eritrea				
104.Eritrea.1	Danida TVET Support Programme	2000-2005	56,200	The TVET support programme Phase II is a component of the Danida sector support programme to the Eritrean Educational Sector. The project has two major parts (1) Establishment of the Massawa Technical and Commercial School, and (2) Further development and implementation of a National Framework for Technical and Vocational Education and Training.
104.Eritrea.7.MP.17	Laboratory Equipment and Furniture for Hagaz Agro-Technical School	2000	144	Hagaz Agro Technical School was established in 1999, and the project supported equipment to establish a well-functioning physics laboratory.
104.Ert.7/MP/02	Vocational Skills Training	1999	585	The National Union of Eritrean Youth & Students (NUEY&S) was responsible for identifying trainee-positions for 200 young people in areas as mechanics, woodwork, metalwork computer, typing, electricity, etc. NUEY&S grants the trainees a scholarship, and the companies do not pay salary the first 6 months. After finalising the trainee period the companies are heavily urged to provide a full-time job for the trainees.
104.Eritrea.2/11	Purchasing of Equipment for Asmara Technical School and Makalasse Skill Development Centre	1996-1999	2,986	This project procured equipment for the Asmara Technical School and Makalasse Skill Development Centre.
Total Eritrea			59,915	

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
Burkina Faso				
104.Vestafrika.6	EIER & ETSHER	1995-2005	67,200	Through support to the two schools EIER (Ecole Inter-Etats d'ingenieurs de l'Equipment Rural) and ETSHER (Ecole Inter-Etats des Techniciens Supérieurs de l'Hydraulique et de l'Equipment Rural) Danida supports the overall objective of developing infrastructure especially water supply. The project focuses on improving the curricula and teaching.
Total Burkina Faso			67,200	
Kenya				
104.Kenya.111	Micro Enterprise Development Project	1999-2003	51,500	The Micro enterprise development project was initiated medio 1999 and supports 21 rural technical schools, 21 artisan associations and 21 women groups. The objective is to create modes of co-operation that will improve employment within the informal sector.
Ambassaden Nairobi/Kenya/1992/51	Management System for the National Trade Test in Kenya	1992-1994	960	N/A
Total Kenya			52,460	
Mozambique				
	A Policy Review of Technical Education and Vocational Training in Mozambique	1997	800	The overall objective of the policy review was to help create a cost-effective Technical Education and Vocational Training system producing candidates with adequate qualifications for fulfilling the requirements of the public and private sector.

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
Mozambique				
104-Moz.50/47	Education in Farming at Secondary School, Tete	1994-1995	700	No info
104-Moz.5	Technical School Project	1984-1994	22,900	The project supported the technical schools in Quelimane, Beira, Chimoio and Xai-Xai with equipment and development of teacher resources.
104-Moz.35	Rehabilitation and Extension of Machine and Plate Workshop in Chimoio and Tete	1987-1993	43,170	The objective of the project was through rehabilitation and assistance to Metalúrgica de Tete and Metalúrgica de Chimoio to satisfy the needs of the agricultural and industrial sectors in Tete and Manica provinces, respectively, for maintenance and repair of machinery, equipment, and farm implements and to support and possibly extend the product programmes of the workshops.
104-Moz.52.e	Danida Support to CFP/DNA School	1989-1995	10,300	The objective was to improve availability of trained staff for the Water and Sanitation Sector in Mozambique. The project supported the CFP/DNA school with equipment and TA to curriculum revisions, training of trainers, etc.
Total Mozambique			77,870	
Benin				
104-Benin.10-68	Support to education of SMEs	1998-2000	1,175	This project supported the Government of Benin's private sector support programme and had the objective to improve the international competitiveness of SMEs.
Total Benin			1,175	

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
Ghana				
104.Ghana.32	Support to Volta River Authority Training Centre	1996-2001	13,700	The objective of the project was to improve the capacity of employees in the electrical sector at various levels. Volta River Authority has financed and been responsible for constructing a training centre for its 2600 employees. Danida has contributed with Technical Assistance to development of training programmes and material.
Total Ghana			13,700	
Egypt				
104.Egy.18	Training of Farmers in Egypt and Israel – Phase II	1994-2000	13,800	The double objective of the project was to contribute to an increased and environmentally sustainable agricultural production in Egypt, and to promote the Middle East peace process. More than 700 farmers and 200 advisers from the Egypt Ministry of Agriculture have been trained in Israel and Egypt.
104.Egypt.15	Small and Micro Industrial Enterprises	1995-1998	13,418	The objective of the SMIE project was to support the development of small and micro enterprises in Aswan, Egypt.
Total Egypt			27,218	

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
ASIA				
Bhutan				
104.Bhu.6	Production Training Centre	1993-2000	23,310	Danida has supported the establishment of a production cum training centre for woodwork in Bhutan.
Total Bhutan			23,310	
India				
104.Indien.160	Training at Four Cement Factories	1991-1999	40,000	DANIDA financed a USD 5 million HRD component of a USD 200 mill. World Bank loan to the Government of India. The project established 4 regional training centres to train operator and supervisor level manpower in large cement plants.
104.O.27.Indien.2	Tool Rooms project	1989-2001	157,400	The project supported the establishment of three new tool rooms and training centres as well as upgrading of the existing three tool rooms. The overall objective was to provide facilities for technological upgrading of small-scale industries in selected areas. Immediate objectives were amongst others to provide well-trained craftsmen, to provide consultancy services to small-scale industries and to provide short-term courses for upgrading small-scale industries workers.
104.Indien.174	Gas Training Institute	1994-1999	25,600	The overall objective of the project was to increase the use of Indian natural gas. This was sought achieved by creating a competent work force at various levels. The Danish assistance encompassed purchase of equipment, development of teaching materials, courses, and technical assistance.

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
India				
104.Indien.171	Environmental Training Institutes	1993-2001	19,923	In order to decrease the urban- and industrial-based pollution the project supported the establishment of two Environmental Training Centres in Karnataka and Tamil Nadu. The Project supported development of 18 training programmes, training of trainers as well as the establishment of administrative procedures.
Total India			242,923	
Thailand				
104.Thailand.24	Management Development of DOVE	1993-1996	16,836	The project provided support to the institutional development of the Department of Vocational Education (DOVE) at a central level, as well as four individual pilot schools at a more decentralised level. In a second phase, DOVE will implement the results from the pilot schools at the remaining 41 agricultural colleges.
104.Thai.25	Training in Aquaculture and Fish Processing Project at Ranong Agricultural College	1994-1997	25,572	This project aimed at developing the fishing industry in Thailand. This was done by providing Ranong Agricultural College (RAC) with physical facilities and training of trainers necessary for carrying out modern teaching within aquaculture and fish processing.
104.Thai.14/5	Raindrop Vocational Training Project – Phase II	1993 - 1997	2,305	The objective of the project was to provide technical training to youth in the area covered by the project. Three lines of teaching were established (1) agriculture, (2) craftsmanship, and (3) housekeeping.
Total Thailand			44,713	

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
Indonesia				
104.Indonesien.4	Production Training Centres	1993-1998	66,433	Phase 1 of the Production Training Centres Project established the physical structures and designed an institutional model and systems for training/production and financial management. Phase II consolidated the results of Phase I and worked towards a transfer to Indonesian management. Phase III strengthened the co-operation between Government and the private sector, and consolidated the institutional set-up.
Total Indonesia			66,433	
Cambodia				
104.N308.b.1	Capacity Development at School of Agriculture	1996-2000	13,112	The overall objective of the project was to strengthen the institutional capacity of the School of Agriculture Prek Leap. More specifically the project aimed at developing capacity within management, organisation, and administration as well as ensuring that well-qualified teachers receive through supplementary training.
Total Cambodia			13,112	
Vietnam				
104. Viet.23	Rehabilitation of Ferry Operations at Highway 1 A's Crossway at the Mekong River in Vietnam Phase II	2000-2005	6,000	The aim of the project was to contribute to Vietnam's economic development through rehabilitation of the infrastructure. The immediate objective was to ensure a safe and effective ferry connection in the Ho-Chi Minh area. The project supported the rehabilitation of old ferries and construction of new ferries as well as strengthening of the capacity of three shipyards in order to ensure continuous maintenance. Although this DKK 154 mill. project contains a large element of on-the-job training through the construction of the ferries, only funds allocated directly to training have been included in this evaluation.

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
Vietnam				
104.Vietnam.30.m/29	Vocational Training for Poor and/or Handicapped Women in Thai Binh	2000-2001	372	The aim of the project was to provide poor and/or handicapped women in the province with vocational training in order for them to find jobs for improvement of their income. The project was executed with assistance from the Thai Binh Women's Union.
Total Vietnam			6,372	
Nepal				
104.Nepal.5/02/97	Support to Shree Gandaki Technical Training Centre	2000	230	The project supported the Shree Gandaki Technical Training Centre (SGTTC) in its strive for providing technical education to the disadvantaged people (Tribal and untouchables) of Nepal. More concretely 40 students were trained in electrical works and road building.
Total Nepal			230	
Bangladesh				
104.Bangladesh.182	Underprivileged Children's Education Programme	1979-2004	94,100	UCEP is a national NGO seeking to improve the social and economic conditions of exposed children in the urban areas of Bangladesh. UCEP runs 30 schools and in 1998 the intake was 20,000 children in the primary schools and 1,400 in the vocational training centres.
104.N.314.b.2	Vocational and Technical Education	1996-2004	22,544	Danida supports 5 schools run by a Danish NGO. The schools provide teaching and vocational training to the poorest part of the population, who has limited education.
Total Bangladesh			116,644	

Danida File no	Title	Year	Approved allocation (DKK 1000)	Description
CENTRAL AMERICA				
Nicaragua				
104.Nic.31/22	Transport and Training Equipment for Handicapped	1997-2001	500	The objective was to improve the facilities of the rehabilitation and training centre for physically handicapped persons, "Gaspar Garcia Laviana".
Total Nicaragua			500	
Guatemala				
104.N.300.0.1	Labour Union Development Project	1997-2001	5,407	The focus of the project was originally to unite the divided labour movement in Guatemala and to create a foundation for a well-functioning labour market. The unstable political situation has constrained the national orientation of the project which has instead focused more on local capacity building and training.
Total Guatemala			5,407	

Note: Danish VET-support comes from different sources. This has made it difficult to provide an exact overview covering all funding commitments. Inputs such as technical assistance, training funded by Danida Fellowship Centre and Danish Embassies, and short term consultancy missions, have often been provided but not included as line items in the project budgets. E.g. for the Zambian Skills Training and Entrepreneurship Development Project (STED) total project expenses are approximately 50% higher than what is indicated in the project documents. Whenever available these "additional" expenses have been included in the figures presented in table 3.1.

Annex IV. Skills Development in Other Parts of the Danish Bilateral Development Assistance Programme

In this Annex a brief description is provided of other parts of the Danish bilateral development assistance programme, which have significant effects in terms of skills development in various low-income countries. This assistance is mainly promoted through the Private Sector Development Programme (PS-programme), Business-to-Business Programme (South Africa), the Mixed Credit Programme, the Industrialization Fund for Developing Countries (IFU), and the various Sector Support Programmes (SPS), which have become the dominant aid modality adopted by Danida during the 1990s.

Private Sector Development Programme

The aim of the Private Sector Development (PS) Programme is to develop the private sector in all Danida's 15 programme countries by supporting establishment of long-term partnerships between Danish enterprises and enterprises in the programme countries providing a basis for transfer of Danish investments and technology.

The financial support covers grants to preparation and implementation of projects including training of staff.

The PS programme was initiated in 1993 in three countries, and has since been expanded to 11 countries (2001). Since its inception the PS programme has amounted to approximately DKK 570 million in financial support, the majority being building of partnership projects primarily in the African countries (e.g. in Ghana and Zimbabwe).

In the Evaluation of the PS programme (2001) it was concluded that the programme has a focus, which is too narrow on individual private business-to-business co-operations, and hence similar implications for the training aspects. Consequently, there is limited concern for broader aspects of development of the private sector as a whole. Therefore, the evaluation suggests a major re-design in order to give it a clear development profile. The so-called enabling environment support should be re-introduced according to the evaluation.

Generally, the evaluation of the PS -programme calls for management skills and capacities at the level of local partner-enterprises. In that way the PS-evaluation links up to the aspirations of the new Skills Development sector policy document as well as to one of the key features of SPS programmes in general, namely the emphasis on capacity development at the enterprise, organisational and institutional level.

The Business-to Business Programme

The Business-to Business Programme (B-t-B) is similar to the PS-programme, but it was part of Danida's transitional assistance to South Africa. The B-t-B programme was launched in 1995, and although it originally was supposed to end in 1998, it has been extended and no new time limit has been set.

The overall goal of the programme is the creation of an enabling environment through co-operation between Danish companies and small and medium-sized enterprises (SME)

owned or controlled by black business men and women, whose entrepreneurial possibilities were vigorously constrained during apartheid.

The B-t-B programme has been allocated a total of DKK 190 million. The programme was evaluated in 2000. It was found that the maximum of three years was too short to achieve sustainable results in business and management training at the enterprise level.

It was also found that South African training institutions were not optimally involved in training of semi-skilled workers. Danish training institutions should focus their part of the training on core technology transfer processes and high level management and professional staff training.

These findings point to improved utilisation of the relevant training institutions in South Africa and in Denmark to address the specific needs of company staff at different levels. This is seen as a prerequisite for achieving the objective of building partnerships even in the short-term sustainability perspective.

Therefore, diversified skills development, in this case at the enterprise level, forms an important part of successful support to the private sector.

Mixed Credit Programme

The aim of the Mixed Credit Programme (MCP) is to provide favourable repayment conditions on loans for financing of Danish supplies of capital equipment for projects in developing countries with a GNI per capita of less than USD 2,396 per year (2000/2001). The programme was established in 1993 with an annual budget of DKK 300 million and has gradually been expanded.

This particular aid modality has an Asian bias. Thailand, China, and Vietnam account for 65% of the total grants, whereas Egypt, Namibia and South Africa account for a total of approximately 5-6%.

Most projects, 80%, are supported in the public sector bringing about basic services to the population like drinking water, health, and vocational training, and therefore support to the private sector and the industries makes up a minor part of the mixed credit activities.

As regards sectors, vocational training takes a share of 6% as the 5th largest sector. All figures relate to the period 1994-2000.

An evaluation of MCP is near completion. The draft report, however, provides little analysis of the skills development effects of the various interventions and no discussion on the potential of this aid instrument in relation to meeting the demands for skills development in developing countries.

In terms of vocational training projects, emphasis is on deliveries of machinery and equipment and the subsequent training in the effective use of the equipment provided. This focus on fairly narrow technical competencies involves a risk of not being relevant and thus applicable outside the single projects. In fact, the resemblance to project related training, which was a popular concept a decade or two ago, is striking.

The Industrialisation Fund for Developing Countries

The Industrialization Fund for Developing Countries (IFU) is an independent institution created in 1967 with the aim of promoting investments in developing countries. IFU participates as a shareholder, i.e. as a partner in joint venture enterprises, but only if the project is financed in part by a Danish business partner. For the country to be eligible, GNI per capita may not exceed USD 5,225 (2002). Shares and loans in 2001 were approximately DKK 350 million.

IFU has administered the Environment and Training Fund (ETF) since 1993. This is a fund set up by Danida to support environmental improvements and training activities undertaken by joint venture companies with IFU participation. The grant frame for three years is DKK 15 million. The majority of grants go to training of personnel, from operator to top management level. It is mostly on-the-job training in operating new machinery and general management training.

Skills Development in other SPS Programmes

At the core of Danida's SPS programmes is institutional development and organisational strengthening, whereby capacity development is high on the agenda. We will briefly present and discuss two of the sectors in which Danida's SPS programmes are being implemented with considerable attention to human resource development and training.

The SPS programmes chosen are in health and infrastructure based on recent evaluations.

As regards Danida's support to the health sector, an extensive evaluation was carried out covering more than 400 interventions and concentrating on five countries, India, Ghana, Kenya, Uganda and Zambia (*Evaluation of Danish Bilateral Assistance to Health 1988-1997, 2000*). The following draws mainly on the findings of that study.

It is noted that HRD, and in particular training of health workers, is considered by Danida as a key strategy of the health SPS programmes in order to improve the quality of public health care. In general, the extensive support was given to the development of training institutions for health workers and to training activities, e.g. development of training curricula and manuals, but in particular to training of newly recruited primary level health workers.

However, in terms of effectiveness a number of reservations were made. In general, most notably the identification of training needs for the health workers was centrally determined, and the training programmes were often designed with too limited involvement of the recipient authorities (at state, regional or district level). The consequence was a lack of ownership, which again caused problems for Danida in phasing out the support and presumably for the sustainability.

The support to health training institutions and their training programmes could easily be seen, in the light of the new Skills Development policy, as examples of training interventions upgrading the skills of the various categories of health workers. Another perspective is that this kind of interventions is similar to capacity development at the district or regional level in health centres or health posts, and at the training institutions.

The other SPS example is country based: the Road Sub-sector Programme in Ghana. In the new sector policy for *Skills Development*, infrastructure is assessed to be one of the

most relevant sectors for skills development and VET programmes. This road programme was evaluated in 2000 for the period 1996-2000.

The principal objective of the programme was “clearing the backlog”, i.e. repairing the roads and keeping them in good shape. One of the crucial programme components to realise the principal objective, according to the evaluation, was improved institutional capacity and human resource management. In this respect problems at the ministerial and departmental levels of understaffing and low qualifications of existing staff have been addressed by initiating comprehensive training programmes, e.g. four types of training programmes: management training, local professional training, overseas training, and domestic contractor training. Although the national institutions have formulated policies and strategies for the training programmes, very little of their budgets were made available for this training. Therefore, the vast majority of funds came through Danida and other donors. The Ghana example confirms what we have also seen in the roads sector in Uganda that skills development at various levels is an essential precondition for achieving the goals related to effective infrastructure management

Summary and Perspectives

In this brief overview of Danish assistance to VET and skills development apart from the “core” VET projects and programmes, the PS-programme and the SPS are the most pronounced. Much of the training and skills development in the PS-programme has narrow technical objectives with limited application outside the enterprise. On-the-job training at the operational level in enterprises is often limited to the use of new machinery. Most SPS-programmes have important skills development components or activities. Vocational training within SPS is often more broadly based aimed at strengthening the human resource basis for sector development.

With the new programme of action, *Promoting business development – a joint task (2001)*, PS, B-t-B, MCP, IFU, and other business development interventions not described here, are perceived in the context of SPS as specific market instruments, i.e. instruments focussing on “operative development co-operation” of “the development of the business sector”. It is of course too early to assess the new programme of action. The main challenge, however, will be how to combine the use of these relatively stand-alone instruments, as they are very different, and achieve coherence and synergy in objectives and impacts.

A final concern is about skills development in relation to the SPS. It appears to be high time to strengthen the role of skills development within the concept of capacity development in the SPS in order to achieve greater effectiveness and sustained impact of the various programmes.

Annex V. India Country Study, Executive Summary

Danish assistance to VET in India comprises four projects. Support for the Indo-Danish Tool Room project (IDTR) accounts for the largest part (DKK 157 million) of the total allocations for VET (DKK 243 million) approved during the period under review (1990-2001). In addition, assistance has been provided for training at four cement factories (DKK 40 million) as well as for the Gas Training Institute (DKK 26 million) and the Environmental Training Institute (DKK 20 million). In consultations between Danida and COWI during the desk study phase of the evaluation, it was decided to focus the field study in India exclusively on the IDTR which has been funded by Denmark for no less than 25 years. The funding came to an end in May 2001.

The six Danida-funded tool rooms are the largest part of a series of 18 externally-aided tool room projects, which include the UN (4), the Swiss (3) and the German (5). A crucial consideration has been the transition from a degree of aid dependency to a central, state or private sector responsibility for this sub-sector. The findings and lessons, therefore, are predominantly about the management of sustainability. It has seemed appropriate to pay some attention to the comparative dimension in assessing the achievement of institutional sustainability.

Findings on Policy

1. The tool room projects can be described as being concerned equally with small-scale industrial development (SSI) and with skills development. In the original objectives they were expected to play a key role in the “technological upgrading of small scale industries”. One of the key policy shifts in several bilateral agencies including Danida in the mid to late 1990s has been towards the tiniest enterprises of the small-scale sector and the rapidly growing informal sector. In contrast, the major focus in India, with the progressive liberalisation of the economy from 1991, has been on making the SSI sector more quality-conscious and attuning it to global competitiveness and import substitution. The IDTRs continued to be in step with this phase of Indian development.
2. In respect of Denmark’s policy concerns for poverty-focused aid, support to the tool rooms has profited from a long standing central and state government policy on the reservation of seats for trainees from a whole series of the most socially and economically disadvantaged communities of India. The precise proportions of seats allocated to these constituencies have altered over time and in different states but in most states they have not been less than 20% of entrants.
3. Gender equity was not an integral part of the original objectives of the IDTR. Even when the Danida/Government of India agreement on the IDTRs was extended and the objectives revised in 1996, a formal gender equity agenda was not included. Whether Denmark could have successfully influenced the GOI to build a gender dimension into the IDTR remains a moot point. It was apparently never tried in any consistent manner until towards the very end of the project when a Gender Development Action Plan and other initiatives were promoted. What is beyond debate is that the enrolment of girl trainees in the main diploma course in tool and die-making over the 30-years period has been minuscule.

4. There is perhaps no more encouraging evidence of policy sustainability than India's continuing ambition aggressively to expand the tool room model. Karnataka has built a state-wide tool room sector with no less than 10 sub-centres, which is shortly to be reinforced by a 10-year planning framework. The GOI has started an Indian-wide Mini Tool Room Scheme, where the GOI is effectively playing a similar role in terms of providing machinery as the donors have so far been playing in relation to both central and state level initiatives. For those donors that have supported the first 18 tool rooms in India, it is hard to exaggerate the importance of a decision by the GOI to replicate the model on this scale.

Findings on Management, Quality, Efficiency & Impact

1. The incorporation of the tool rooms into the culture and norms of one of the largest bureaucracies in the world has meant that there have frequently been critical delays in key decisions. For a training institution committed to securing "financial viability" through production for the market, the government affiliation has been, at times, a considerable challenge. In addition, it has negatively influenced the possibility to attract and retain good teachers.
2. The quality and continuity of management have been the single largest differentiating factor in institutional development and dynamism amongst the family of Indo-Danish tool rooms. Notably, the tool rooms in Bangalore and Mysore have had remarkable continuity in top management. They have also been prepared to profit from the experience and management autonomy of leadership drawn directly from the best known independent tool room and from the private sector.
3. There are some causes for concern in terms of sustaining quality in teaching. Evidence from employers suggests some dilution in quality in recent years. There is an increasing reliance on fresh, inexperienced graduates as instructors and on part-time teachers in crucial subjects, such as maths and science. At least in some tool rooms, the excellent revised curriculum of 1994 is not thoroughly taught and is difficult for the trainees to access. The search for cost recovery in training, as illustrated by the increasing number of short-term postgraduate courses, is putting facilities and resources under quite considerable competitive pressure.
4. There is a clear determination to develop major long-term programmes of investment in infrastructure and machine tools. It appears to be high time for this, considering the fact that the three oldest centres are running their training divisions with much machinery that dates from the start of operations in the 1970s. There is some evidence that even Delhi, the tool room with the history of gravest difficulty in management continuity and machinery replacement, has begun to turn the corner in terms of investment.
5. One of the most positive features about IDTR is that employability of graduates is assured. This was generally confirmed by industry, though there is some evidence that with the recession and greater competition amongst tool room leavers, the range of jobs may be narrowing. Some employers also commented that they had noticed a quality downturn in the graduates during the last three-four years. But it is also a very positive sign that 80% of graduates interviewed had been able, within 4-6 years, to treble or quadruple their incomes from an entry level of Rs. 4,000 per month. Graduates with longer experience were earning Rs. 35,000 per month and a few had set up their own manufacturing units. Clearly, these income figures have made an important contribution to family status and well-being.
6. In terms of impact on industry, it was confirmed that graduates have contributed significantly to their employers by reducing their operational costs, reducing working capital requirements and improving process flow. But the requirements of industry

to graduates have increased in recent years. Their role is not limited to the tool room only, but extends to vendor development, project management, team working, negotiation skills, and product design and development using the latest software.

Findings on Financial Sustainability

1. There are real trade-offs between training and production as financial sustainability is pursued. In terms of access to machinery, the training divisions have been the poor cousins of the production wings. In the new world of tool and die-making it is increasingly difficult to maintain a balance between training and production. Large parts of the production, e.g. with the latest CNC machinery, are inaccessible to the trainees. The major high value-added orders from the tool rooms are coming from the medium and large-scale sectors rather than from the SSI sector.
2. The new work environment for tool room graduates and the sheer speed with which quality standards are being adapted put tool rooms to the test. Employers continue to expect traditional hands-on competence in tool making but also more business and strategic skills than ten years earlier. These demands come at a time when access to hands-on machining is being squeezed and the provision of CNC machines in the training departments is inadequate. The danger is that in some tool rooms the trainees may be getting neither sufficient conventional expertise nor sufficient exposure to the new production methods and business skills.
3. Nevertheless, and with the above caveats, the original goal of substantial income generation in these skills development projects has been secured.

Findings on Lesson-learning and Knowledge Sharing

1. The GOI and particular states have encouraged a range of externally assisted tool room projects over a period of 30 and more years. The positive advantages of inter-tool room networking have been very evident amongst the family of 6 Indo-Danish projects, and especially through the modality of the Tool Room Committee (TRC) and its specialist sub-committees. This knowledge-sharing mechanism stopped functioning with the end of Danish support. As far as wider knowledge-sharing is concerned, there has been only a single meeting held amongst the Indo-Danish and the Indo-German tool rooms, and no meeting across the whole universe of public tool rooms, not to mention a meeting spanning public and private non-profit tool rooms.

Lessons and Implications

1. Sustainability was found to be a complex and multifaceted concept, but it included policy sustainability, management sustainability, the sustainability of quality in teaching, curriculum and equipment, and financial sustainability. The achievement of institutional sustainability needs attention to all these elements, but policy and management sustainability is the most critical to the delivery of the other elements.
2. Poverty-focused aid can successfully target large technology and equipment intensive projects linked to key sector of economic growth and import substitution, and at the same time target economically disadvantaged young people and small-scale industry.
3. There was very little exchange of learning across the different donor-aided tool room projects, nor was there learning by Danida from best practice in the private, independent tool room sector.
4. If replicability beyond India were to be pursued in the early 2000s it may be worth considering whether the natural recipient for a tool room project would be government or rather a registered trust or a foundation with closer links than government to the private sector. The experience of the Indo-Danish tool rooms spans a series of very different industrial, political and economic environments in India, several of

them larger and more populous than many countries of South East Asia, Africa, the Middle East or Latin America. The success of the tool room programme in India cannot, however, be separated from the fact that it coincided with several waves of aggressive import substitution. In addition, India had an ambitious industrial policy from the early 1990s that opened up the country to many new global brands from which it had been protected earlier. The presence of substantial tool room capacity within India meant that the new competitive models could actually be substantially sourced from within India. The key implication in terms of replicability is therefore that similar conditions should exist in the countries concerned if tool rooms like the ones we have studied in India are to become successful elsewhere.

Recommendations

1. It would be an appropriate moment for the Government of India to explore a mechanism that would derive lessons and experience to be shared between the Centre and the States and between the Government and the private sector, as India is moving into a new phase of tool room co-operation and further development.
2. Even though the main external project funding is now complete, there may be ways in which very small-scale funding from the Danish Embassy in New Delhi could ensure processes and mechanisms of greater co-operation through the Indo-Danish family, which the TRC had initiated, as well as with the Indo-German and Indo-Swiss tool rooms. This process could possibly be kick-started by a small grant to TAGMA, the Tool and Gauge Manufacturers' Association, and could eventually lead to some form of professional association amongst tool rooms.
3. For other donors, the tool room projects raise implications both for small enterprise policies and for VET policies. The findings of the current study could be of interest both to the Committee of Donor Agencies for Small Enterprise Development (co-ordinated by the World Bank) as well as to the Working Group for International Co-operation in Skills Development. Amongst bilateral donors, a natural audience for the India country study would be the GTZ/BMZ, as these agencies are concerned about the transition to sustainability for their currently assisted tool rooms.

Annex VI. Bangladesh Country Study, Executive Summary

The study is focusing exclusively on Danish support to Underprivileged Children's Educational Programs (UCEP), which Danida has supported since 1972. Almost DKK 100 mil. have been allocated for UCEP's programmes to provide general education and vocational training to urban working children in Bangladesh. In the 1990s, a total of DKK 52.4 mil. was allocated. The current allocation, which spans over 2001-2004, is DKK 21.9 mil. At present, Danida is the largest contributor and has had a leading role over the years, but UCEP has also received substantial financial support from SDC, DfID, NORAD and several other donors. In 1991, the main donors formed a donor consortium.

Major Findings

1. UCEP is addressing poverty reduction with an innovative approach providing opportunities for underprivileged boys and girls to get basic education and vocational training. This appears to be an extremely relevant response to the problem of access to education in Bangladesh and in full compliance with Danida's focus on poverty reduction and gender equity.
2. UCEP contributes – although modestly – to the development of small enterprises in Bangladesh by supplying skilled and semi-skilled labour, which is in high demand. The UCEP graduates contribute effectively to high productivity, waste reduction and quality products in the enterprises. Employers confirmed that the UCEP graduates are “disciplined”, “punctual” and “loyal” to the company.
3. The skills development, which UCEP undertakes, is complementary to the efforts of the Government, but there are no systematic links between the two systems. Civil servants responsible for the management of the government vocational training system are rating UCEP high, but there appears to be no learning on the part of the Government from the UCEP experience.
4. UCEP is effectively lifting underprivileged children out of poverty. Close to 100% of the graduates from the UCEP technical schools have been able to find gainful employment. The earnings of individual boys and girls influence family income and family social status significantly.
5. The efficiency of UCEP technical schools appears to be high. According to World Bank estimates the cost per student of UCEP vocational training is less than one third of the cost per student in government vocational institutions (World Bank, 2000). This may partly be explained by the shortening of many of the courses in UCEP, and partly by the way calculations are made.
6. In spite of a relatively high management and staff turnover as well as serious management problems in the middle of the 1990s, UCEP has managed to grow while maintaining its basic mission and approach. In the process, the skills development programme has been expanded and diversified. The results produced have helped UCEP to sustain its attractiveness to donors. UCEP is considered to be a highly professional NGO with competent and committed staff and well-established systems and procedures.
7. The main challenge, which UCEP has faced from its inception, is the heavy dependency on foreign funds partly due to lack of funds of GOB. The risks involved, which include changes in donor policies and availability of funds, have been reduced by

relying on several major donors. However, the decision made by SDC to reduce their contribution by 50% from the beginning of the next phase puts pressure both on UCEP and the remaining donors. UCEP has only managed to generate very limited local funds. Thus, UCEP management finds the 2003 target (15% of the recurrent budget to be financed locally) very difficult, if not impossible, to achieve.

8. There is considerable scope for increasing the income of UCEP in various ways. The options for increased domestic resource mobilisation include e.g. industry sponsoring of students, short-term evening courses for adults able to pay for the training, establishing of separate profit generating production units, setting up a teacher training unit for other NGOs, and establishing a system which commits former students to pay tuition fees for new students. Fund raising for UCEP would be greatly facilitated by obtaining a tax exemption certificate from Government.

Lessons Learned

1. UCEP has developed an approach to skills development, which is efficient and ranks high in terms of contributing to poverty reduction and gender equity. This approach, which includes a high degree of responsiveness to local needs, close supervision and follow-up in relation to individual students, and substantial on-the-job training as well as direct contact to employers, is certainly relevant to many other developing countries, in particular in Asia.
2. Experience has shown that it is to a certain degree difficult for traditional VET sector programme support (SPS) to contribute directly to poverty reduction, and in particular catering for the poor hard-to-reach young boys and girls. Therefore, the inclusion of an NGO-component, supporting various alternative forms of skills development, appears to be highly relevant. The case of UCEP, which is a relatively isolated project island, illustrates, however, the importance of developing institutional links and mechanisms for mutual learning between the government and the NGO-sector in this field.
3. The Donor Consortium sponsoring UCEP is unique. The main donors have managed to harmonise their funding cycles and provide co-ordinated funding to UCEP based on UCEP's strategic plan and a joint project document. The co-operation between UCEP and its main donors, which is already a "best practice" example, could be further developed by e.g. organising joint annual consultations, based on joint annual reviews, between UCEP and its main donors. In order to maintain this exemplary co-ordination the donors should, when one or several donors are reconsidering their assistance, table this concern in the consortium seeking a joint solution.
4. Continuous funding of an NGO, which is not accompanied by specific objectives and plans related to financial sustainability, may actually have a negative effect on the organisation. In the case of UCEP, it appears that not enough sustained effort has been put into examining and testing the various options for increased cost-recovery. However, 100% cost-recovery of a VET institution like UCEP is not realistic, and therefore external financial support in the long-term perspective is required, ideally, but not realistically, from GOB. The "conspiracy of donor goodwill", which UCEP to some extent has been subject to, often leads to a kind of a laissez-faire attitude and a diminished sense of cost-consciousness.
5. At least twice in the history of UCEP, the organisation has faced major managerial and financial crises. Danida and other donors have reacted to these crises in a highly responsible manner. Danida has stayed with UCEP in these times of crisis and helped the organisation to clean up, overcome the problems and get a new management. The case of UCEP illustrates the important responsibility on the part of

donors to insist on transparent and accountable management in donor-financed NGOs. Donors must check that the NGOs have effective systems and procedures to prevent financial irregularities. As part of the regular routine, they should check at regular intervals, not only annually as of now and according to Danida procedures, but e.g. every quarter, if procedures are complied with.

Annex VII. South Africa Country Study, Executive Summary

Danish VET support to South Africa between 1990 and 2001 had a total value of DKK 51,500 mil. in approved allocations. Almost 100% of funding have been allocated to two overall projects: the Provincial Skills Development Project (PSDP) – DKK 24,160 mil., and the Manufacturing Advisory Centres Project (MAC) – DKK 27,000 mil.

PSDP is a pilot project in collaboration with the South African Department of Labour (DoL). It is based in Kwa-Zulu Natal and the first pilot phase was from 1997-1999. Based on that experience, a second pilot phase was designed to run from 1999-2001 (plus bridging support between the two phases). The project is now scheduled to terminate in mid-2002. In phase one, the focus was on the development of the new South African concept of learnerships, one in Building and Construction and one in Hospitality and Tourism. Phase two has two components: a venture creation learnership for urban retrenchedees with the aim of starting micro-enterprises, and a more basic skills development programme for rural women seeking self-employment. Both pilot projects phases have had an important and explicit piloting function for South Africa's new skills development strategy.

MAC was developed and implemented in conjunction with the Department of Trade and Industry (DTI), the Enterprise Promotion Agency (Ntsika), an agency of DTI; the Council for Scientific and Industrial Research (CSIR); and the National Productivity Institute (NPI) - also government agencies. The aim of the project has been to enhance technology use and productivity in small formal enterprises through a programme of advisory services. Beginning in 1998, Danish aid supported the establishment of two pilot MACs, in Durban and Port Elizabeth. As with the PSDP, there was an explicit intention to influence national provision, in this case through extending the MAC approach to all nine provinces and through supporting the establishment of a National Manufacturing Advisory Centres (NAMAC) Programme Office. Danish support to the project has ended, but the programme is ongoing and expanding.

Major Findings and Lessons Learned

Provincial Skills Development Project (PSDP)

Identification, Design and Relevance of the Project

1. All three components of the project identified needs within the South African economy. The shift from phase 1 to phase 2 reflects a realisation that the aim of moving people from unemployment to wage employment in larger firms is unlikely to be widely realisable within the current economic context of South Africa. The evolution of the project highlights the importance of identifying interventions that both reflect market possibilities and the needs of target populations.
2. Although the project phases had equity targets, no mechanism was in place for action when these were not met. When projects are supposed to reach equity targets, then this must be made explicit in the design, and an appropriate strategy should be presented for the monitoring of progress and immediate action, if necessary.

3. It is important to have projects that can provide learning for the whole system and for policy, such as the PSDP. However, it is equally important that the codification and sharing of such learning should be clearly included within project design. International experience suggests that time, resources and senior management championing are essential if these processes are to be effective. Whilst sharing of lessons from the PSDP has clearly happened, this has not been as systematic as it could have been possible. Sharing from phase 2 appears to be weaker than from phase 1.
4. It is clear that a balance needs to be struck between supporting existing supply-side institutions in the skills sector and developing more demand-led practices. The PSDP has helped moving the South African practice towards a greater emphasis on the demand side. It is important that this reemphasis is continued in the next phase of the Danish support to skills development in South Africa.

Implementation, Management, Efficiency and Effectiveness of the Project

1. There is a lack of business sector stakeholder participation in PSDP. Given the focus of the project of SMME development, the absence of SMME stakeholders is particularly problematic.
2. The project has been well managed within a complex structure of inclusion of service providers, different DoL sections, and other Government Departments. This is in spite of considerable delays in project implementation caused by the immense challenge of rebuilding the whole system of education and skills development in South Africa. In particular, the delays in the flow of money from the National Skills Fund were a major constraint on project time-lines and effectiveness.
3. It is difficult to talk meaningfully about efficiency in pilot projects of this kind given the small number of learners involved. Thus, whilst the unit cost per learner appears to be quite high this must be balanced against the experimental nature of the intervention.
4. Training in HIV/AIDS, occupational safety and environmental awareness was planned according to the project document to be incorporated through special sessions in the training. This was evident in the rural women's component but not elsewhere.

Sustainability and Phasing out of the Project

1. Sustainability in pilot projects relies on the capacity of the DoL to internalise the learning and further develop their work on policy and practice. The development of the learnership in phase 1 has contributed to institutional learning as illustrated by the change in focus shown by phase 2. However, there is uncertainty about the current level of this capacity, and whether it can be maintained given the wider challenge of staff retention in South Africa.

Impact of the Project

1. Impact needs to be considered both in terms of policy and practice development and in terms of the impact on the lives of the individual participants. The learnerships were the first to have learners graduate with a certificate accredited by SAQA. Moreover, the lessons learned from this project have influenced the development of the learnership programmes nationally.
2. 227 learners graduated in phase 1. The planned follow up on these graduates by the project does not appear to have happened. The second phase is still in implementation with 156 learners taking part. There is conditional optimism about the potential impact on the lives of individuals in terms of income generation. However, the

degree of impact will depend upon the availability of further support to learners after the official end of the project.

The Manufacturing Advisory Centres (MAC)

Identification, Design and Relevance of the Project

1. The MAC project illustrates in a positive way the importance of support in a timely and flexible manner to priorities that have emerged from countries' own policy processes. However, it does highlight differences in cross-cutting concerns and attitudes towards stakeholder participation. Such issues must be explicitly addressed in project identification and design.
2. Pilot projects can play a valuable role within the broader approach of sectoral programmes in providing a way of promoting learning and innovation in development practice. The MAC project played a valuable role in showing the relevance of a SMME-focused intervention for an overall strategy of skills development. However, learning from the project has taken place in the SMME development field and not in that of education and skills development.

Implementation, Management, Effectiveness and Efficiency of the Project

1. Questions emerged from the field study about the quality of Danish specialist support. Whilst the criticisms are not proven, it is essential that such support should always contribute added value above that which can be brought by national personnel.
2. The project illustrates that study tours appear to be a valuable method for project design and management, which could be used in more interventions. They are particularly valuable in building counterpart capacity to engage critically with Danish specialists.
3. If commitment to stakeholder participation in project oversight is to be operationalised, it is important that this vision, and board composition, be fully discussed between all partners. This does not appear to have been sufficiently stressed in the MAC project. Moreover, actively supporting the development of organisations of the SMME sector (particularly those of micro and informal enterprises) is a key element of any skills development intervention seeking to reach SMMEs.
4. Equity concerns necessitate that sufficient emphasis be placed on the development and utilisation of relevant indicators and on action being taken when targets are not met. The MAC indicators do not provide sufficient disaggregation of data from which to measure the range of impacts identified as important by Danida and it appeared that the data was also insufficient for more general management purposes.
5. When supporting a structure with provincial and national elements, it is essential that governance and financial arrangements are clear and consistent. The MAC system of a national trust and project co-ordination office as well as legally separate entities at the provincial level is overly complex.

Sustainability and Phasing out of the Project

1. Although long-term sustainability cannot be measured for this project, it appears probable that this type of SMME development project can contribute usefully to an overall strategy for meeting Danida's poverty goal, cross-cutting concerns and national targets for equity.
2. It is important for sustainability of SMME projects that the development of linkages with larger business is given particular emphasis. Of similar importance, SMME

projects should be better articulated with strategies for education and skills development. These are areas where more could have been done in the MAC project

Impact of the Project

1. A serious concern in the MAC project is that sufficient resources should be allocated to projects in order to ensure that staff development takes place over the life of the project at the level of intensity needed to maintain staff capacity, both as a contribution to individual career development and overall project impact.
2. The MAC project has made a small but significant contribution to enterprise survival and growth; to employment levels and incomes; and to exports, productivity and technological development. The roll-out of the project brings the likelihood of a considerably expanded impact.

Annex VIII. Tanzania Country Study, Executive Summary

Danida has supported the VET sector in Tanzania for more than 20 years. In the period covered by this evaluation, 1990-2000, there were two main Danida VET programmes:

Vocational Training Support Programme 1992-1997 and, after a comprehensive revision in 1994, an extension programme 1995-1998

Support to the Vocational Education and Training Sub-Sector 1998-2003. This is a component of the Business Sector Support Programme.

The support granted during the decade was approximately DKK 157 million, of which DKK 98 millions were allocated for the construction of the two centres. In addition, a total of 52.5 person years of long-term technical assistance and at least four years of short-term consultancy services have been separately funded.

Major Findings

1. **Objectives:** The objectives of the Danish assistance are coherent with national VET policy, the VET Act of 1994 and the strategic action plan of 1995. Danish assistance to VET in Tanzania is broadly consistent with Danida's VET policy of 1994 with regard to the demand orientation, dialogue with the labour market and, since 1998, focus on both the formal and informal sectors. However, the poverty reduction and gender equality objectives were not satisfactorily prioritised.
2. **Organisational and system design:** Danida played an important role in the drafting of the VET Act and the subsequent development of the VETA Strategic Action Plan. The main impacts of the VET Act and the SAP were: (1) the creation of a semi-autonomous national training authority with regional structures for decentralised provision of training services; (2) the introduction of the training levy; and (3) the priority attached to demand-driven training, which can respond to the needs of both formal and informal sector enterprises. The main design weakness was the failure to make a clear separation between the roles of VETA as the overall regulator and funder of the training system, on the one hand, and the actual provision of training services, on the other.
3. **Management:** Top NVTD management was not replaced with the creation of VETA. It was not until late 1998 that the first director general was appointed and a professional management team was recruited, the majority of whom were from outside organisations. While it inevitably took some time for them to settle into their jobs, management deficiencies in all the main functional areas began to be systematically addressed.
4. **Technical assistance:** NVTD/VETA had exceptionally high levels of technical assistance. Between 1990 and 2000, 15 long-term Danida advisers were employed for a total of 52.5 person years. Given the overall objectives of the project, several advisers were too preoccupied with technical/operational issues and did not focus enough on the process/management issues that are associated with major organisational change.
5. **Training Outputs.** School leavers wishing to become industrial and construction artisans continued to be the main client group at VETA training centres during the 1990s. Enrolment in long pre-employment courses increased from 1,908 in 1990 to

4,525 in 2000 for the 20 NVTD/VETA training centres. The five new centres that were built during the 1990s accounted for around half of this increase. Apart from Chang'ombe, the enrolment in short courses did not increase significantly in the 1990s.

6. **Curriculum development:** Danida played a leading role in the development of a new competency-based education and training (CBET) system. CBET was piloted in some centres in 2000 and will be fully implemented in 2002. There is widespread support for the underlying principles and objectives of CBET among both instructors and management. However, a serious concern is that up to 30% of the instructors do not have sufficient practical/technical skills to be able to teach effectively using the CBET methodology.
7. **Governance and Stakeholder participation:** In contrast to the former National Vocational Training Council, the VETA Board has overall responsibility for all decision-making, which is a significant improvement. However, the representation of end users is weak, and the informal sector is not represented at all. Another concern is that the employers, trades unions, and private VET providers do not provide adequate feedback to their respective constituencies.
8. **Geographical versus sector representation:** There continued to be an excessive pre-occupation with spatial decentralisation during the 1990s. As a consequence, sector decentralisation was not accorded sufficient priority. Employer involvement remained limited and only seven out of the 12 Trade Advisory Committees were in operation in early 2001.
9. **Support for Private VET Providers:** The private VET centres grew very rapidly during the 1990s as a result of government de-regulation, but little of this growth can be attributed to the creation of an enabling environment by VETA. Only 1-2% of the training levy was used to support training in these centres, despite the fact that many of them provide training in key growth sectors and target poor youth.
10. **Labour Market Information:** From the outset, VETA management fully recognised the importance of developing a comprehensive labour market information system. However, the planning capacity to fulfil this key function remained largely undeveloped during the 1990s. In particular, Labour Market Analysts were not recruited and deployed to the zonal secretariats until 2001.
11. **Individual employment impact:** The tracer survey undertaken as part of this evaluation showed that around 80% of graduates from 1995/97 were wage-employed or self-employed by January 2002. Wage-employment is concentrated in the urban areas. Graduates from fitters & turning and secretarial & computer were the most successful in finding wage-employment. Graduates from carpentry and tailoring had little job opportunities but the highest proportion of self-employment. Around 12% of the 1995/97 group and 20% of the 2000 group was unemployed. Less than half of the graduates employed (either wage or self-employed) were in training-related employment. For the entire sample, average incomes were around TZS 41,000 per month for both females and males.
12. **Poverty reduction:** Very little concerted effort was made during the 1990s, either by VETA or Danida to ensure greater access to training services for either the poor, or the disabled. The policy objectives were not followed by well-designed interventions with allocation of budget and responsibility. It is likely that the access of the poor to VET deteriorated during the 1990s. Provision of training services by VETA training centres for the informal sector remained very limited.
13. **Gender equality:** Training at all VETA training centres remained male-oriented during the 1990s. With the support of different donors, including Danida, dormitories for girls were constructed in several VET centres and female oriented trades were

- introduced in centres that had only male oriented trades. The proportion of female students increased from 19% in 1990 to 24.6% in 2000. Chang'ombe RVTSC had the same percentage of girls enrolled in 1990 as in 2000, (around 27%) and most variation in trades offered. Private VET institutions in Dodoma enrolled 55% girls.
14. **Institutional sustainability:** The current management team has taken many of the necessary steps to ensure that VETA becomes an effective and efficient national training authority. Appropriate financial and human resource systems have either already been established or are planned to be in place by 2003. Decentralisation is proceeding at a much quicker pace than before.
 15. **Relevance and system sustainability:** There is a major concern that VETA's core product, namely pre-employment artisan training is not sustainable/relevant in its current form. The main reason for this is the very significant qualification escalation that has occurred in the formal sector labour market for skilled and semi-skilled labour in Tanzania. Even with the anticipated improvements in training quality that could be achieved with a properly implemented CBET, VETA graduates will probably find it increasingly difficult to find training-related wage employment.
 16. **Financial sustainability:** The reform process has succeeded in making NVTD/VETA independent of donor support. Donor dependency has been replaced by levy dependency. The new structure has not created an incentive system or ensured a competitive training market.
 17. **Physical sustainability:** VETA assumed full responsibility for building and equipment maintenance at the Danida supported centres in mid 2000. Currently, 85-90% of the new equipment provided by Danida is functioning properly. However, a much higher proportion of old equipment is not fully operational and relatively long delays are being experienced in the provision of spare parts.

Lessons

1. **Support to system reform.** The complexity of organisational change in relation to system reform was underestimated and more time consuming than expected. However, by the end of the second five-year period, some positive changes emerged in management and decentralisation. Consequently, if Danida is to support system change of this kind, it should make a long-term commitment and be prepared to accept that not all interventions will be successful.
2. **New management.** New organisations should recruit new management. It was only when the new management team of VETA was appointed that concerted efforts were made to introduce new management systems and implement other key organisational objectives, including decentralisation.
3. **Governance and stakeholder involvement:** The creation of a national VET board with wide-ranging decision-making power and the subsequent creation of zonal boards was a significant improvement compared to the former, purely advisory national vocational training council. However, concerns remain about the inadequate representation of formal sector employers, the lack of representation of the informal sectors and the weak emphasis on sector decentralisation. Reliance on conventional tripartite governance structures is most often not appropriate in low-income developing countries such as Tanzania.
4. **Training.** The training provision maintained a strong formal sector orientation. The new CBET is designed to be more flexible and with potential to be more demand oriented, both towards formal and informal sectors. Attempts to address the informal sector highlight the conflict between financial sustainability and poverty/informal sector orientation. The latter will continue to be dependent on public resources.

5. **Poverty reduction remained a policy concern.** The lesson is that if the poverty reduction goal is to be attained, then specific objectives, strategies and activities must be clearly specified, and public funds, whether national or donor funds should be assigned.
6. **Gender equality:** The construction of dormitories for girls and the introduction of female oriented trades were prioritised and do improve girls' access to VET. It seems that the upward limit is reached with regard to girls in male oriented trades. The type of trades offered is a very important determinant for girls' access to VET.
7. **Technical assistance:** With the increased emphasis on system development and reform, Danida advisers should have considerable experience in managing complex organisational change in developing country contexts. The qualification profile changed very late from technical to managerial, considering the strong focus on organisational change already in place since 1992.
8. **Individual impact.** A large part of the graduates have obtained gainful wage or self-employment, although the income level is low compared to costs of living. The tracer study confirms assumptions of greater unemployment in rural than in urban areas and low percentages of training related employment for those who are in employment. The tracer survey proves wrong the assumption that the female graduates earn less than their male fellows.
9. **Financial sustainability:** If VETA is to be effective and efficient, it must be forced to compete in order to survive. Much higher fees could be charged for the trades that are in high demand, and for customers that can pay. Incentives for centres and instructors should be created.
10. **Informal sector and poverty orientation:** VETA/donors should accept that a separate or parallel funding system should be developed whereby students from poor sections of society can be supported, and short courses for the informal sector can be subsidised in order to meet the poverty reduction objectives.

Annex IX. Zambia Country Study, Executive Summary

This Zambia country report is part of a comprehensive, global, thematic evaluation of Danish Assistance to VET from 1990-2000. It is a case study of Danish support to VET in Zambia, which has been undertaken in order to extract lessons which would be useful to future Danish VET-assistance to Zambia and other developing countries.

Danish assistance to skills development in Zambia was high during the 1990s. A total of approximately DKK 53 million was allocated to three related projects: Vocational Education and Entrepreneurship Training (VEET), Skills Training and Entrepreneurship Development Project (STED) and the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) Implementation project. The current SPS for the VET sector amounts to DKK 133 million.

Danida adopted a dual approach. It supported both the creation of an autonomous national training authority as well as upgrading two existing training centres – Lusaka Trades Training Institute (LTTI) and Northern Technical College (NORTEC). Danida was the main donor in the VET sector during the 1990s.

Key Findings

1. **Objectives:** The objectives of Danish assistance to VET in Zambia are consistent with Danida's VET policy of 1994 with regard to demand orientation, dialogue with labour market players and focus on both the formal and informal sectors. However, poverty reduction and gender equality objectives were not satisfactorily prioritised in the project documents.
2. **Assumptions:** The design of projects and programmes was based on a number of problematic assumptions, which have adversely affected implementation and outputs.
 - The extent of opposition from key stakeholders to major organisational changes was not foreseen and they were allowed to obstruct the process.
 - At the centre level, a key objective was to establish management boards. This was based on an implicit assumption that the TEVET Act had been enacted, which was not the case and the establishment of the boards was delayed.
3. **Informal sector orientation:** Danida wanted to support skills development for the informal sector. There was, however, an inconsistency between the objectives of reaching the informal sector and the emphasis on providing support to the formal training centres. Eventually, the informal component was taken over by a separate project which was funded by the Netherlands Government. Danida support to the informal sector remained very limited.
4. **The system change process:** The creation of a national training authority (NTA) turned out to be a complex process of organisational change, involving de-centralisation of decision making, the closing down of the existing government department responsible for VET, and setting up of new management systems. The formulation and implementation of the TEVET Act was highly contested and it took three years from the publication of the TEVET policy and strategy for the new legislation to become fully operational. In the process, the original intentions of the policy reform were seriously diluted and today there is broad consensus that the Act should be revised.

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5. **National training authority:** VET provision in Zambia has undergone a substantial system change as the former government department was replaced by a new autonomous body, TEVETA - a process which is unlikely to have happened without Danida assistance. TEVETA was generally well conceived, but a major weakness was the failure to secure independent funding through the introduction of a training levy.
 6. **Donor co-ordination:** While Danida was originally the main donor, other donors became increasingly involved from the mid-1990s, in particular the World Bank and the Government of Netherlands. A new jointly funded TEVET Development Programme became fully operational in early 2002. Donors supporting the VET sector in Zambia have had different and, at times, conflicting objectives which have seriously hampered the reform process.
 7. **Centre level organisational change:** The two pilot training centres supported by Danida underwent extensive organisational change. Significant progress was seen with respect to the establishment of functioning management boards, an increased focus on cost-efficiency, and the development of new financial system.
 8. **Management Boards:** The establishment of the management boards was delayed until January 2000. Since the STED project started in 1997, this meant that most project inputs were delivered before management and organisational reforms had been implemented. This led to a sub-optimal use of resources in the sense that staff was trained and subsequently retrenched and an insecure employment situation seriously limited the feeling of ownership and responsiveness of teaching staff.
 9. **Hardware:** The Danida funded rehabilitation of buildings and grounds resulted in major improvements in the overall training environment. The procurement of equipment was, however, seriously delayed and problems arose with its subsequent utilisation.
 10. **Technical Assistance:** Partly because of weak centre management, the Danida advisors became too closely involved in day-to-day management and administrative matters rather than maintaining an essentially advisory role. They became scapegoats for the unpopular decisions made by management.
 11. **Institutional sustainability:** The absence of the training levy threatens the organisational autonomy of TEVETA as it continues to be dependent on donors and government.
 12. **Technical sustainability:** Sustaining the improved quality of training that occurred during the STED project will be a major challenge. By early 2002, there were already shortages of training materials at one or both of the pilot training centres and key equipment was not operational.

Lessons

1. **Design:** Too many assumptions have turned out to be problematic. Therefore, when a complex programme is designed, a lot more systematic attention should be devoted to high quality risk analysis and institutional analysis.
2. **Sequencing:** Delays in implementing inter-related project components had severe implications for the overall success of the STED project. More careful thought needs to be given to the complementarity and other inter-relationships between separate project components.
It is important to foresee to what extent problems with one component of a project can hamper the successful implementation of other related components and react to it.
3. **Informal sector:** In order to comply with the 1994 strategy Danida assistance to VET should have a much greater informal sector orientation. This is, however, a

complex and difficult area. Most government pre-employment training centres are unlikely to be able to provide training services to micro and small enterprises in an efficient and effective manner.

4. **The “losers”:** The DTEVT seriously obstructed the system development process. A well-known saying in Zambia says that “no fish can be expected to drain its own pond”. A key lesson is that in any organisational reform, decisive steps need to be taken early on in order to ensure that eventual ‘losers’ are not allowed to dominate and influence the change process in a negative way.
5. **Long-term commitment:** Creation of a national training authority takes time and there are likely to be numerous temporary setbacks. Consequently, if Danida wants to support system change of this magnitude and complexity, it must make the kind of long-term commitment which the SPS-concept implies.
6. **Technical upgrading:** The difficulty of technically upgrading training centres which have had little or no equipment for years, worn down facilities etc. should not be underestimated. The positive involvement and participation of the instructors in the change process and technical upgrading is of paramount importance.
7. **Technical Assistance:** The STED project entailed a diversity of tasks to be undertaken by the Danida advisors. This ranged from organisational change to technical problems with sufficient capacity to oversee procurement of equipment. This diversity underlined the fact that the identification of the right job description and finding the right Danida Advisor profile is absolutely essential. The role of the advisors is equally important. If the advisor gets too involved he risks becoming a scapegoat for unpopular decisions.
8. **Technical sustainability:** Improvement of the physical conditions is a short-term result which has to be supported by longer-term achievements from the organisational/ management reform in order to secure sustainability.
9. **Financial sustainability:** If production and short-courses are to become a success, there is a need for proper incentive systems as well as further education of staff.
10. **Institutional sustainability:** When a national training authority is established, it is crucial to secure a sufficiently large and stable source of funding, which can underpin the autonomy and overall viability of the new organisation. Without such a financial base, institutional sustainability is threatened.

MINISTRY OF FOREIGN AFFAIRS
Danida

2 Asiatisk Plads
DK-1448 Copenhagen K
Denmark
Phone: +45 33 92 00 00
Fax: +45 32 54 05 33
E-mail: um@um.dk
Internet: www.um.dk