

Management response

Evaluation of the 'Skills for Inclusive Growth' program June 2024

This end-of-program evaluation was conducted for the Skills for Inclusive Growth (S4IG) program amidst a period of relative economic stability, albeit fragile, with Sri Lanka in ongoing foreign debt restructuring negotiations. The S4IG is an initiative of the Australian Government in partnership with the Sri Lankan Ministry of Education. It commenced in 2017 and will run until November 2024. Phase 2 (2020-2024) follows the initial four-year Phase 1 (2016-2020) period.

The overall goal of the Program was to **“economic growth particularly in the tourism value chain that benefits all Sri Lankans and contributes to a prosperous and stable Sri Lanka.”** The program had four outcome areas:

1. **National and sub-national governments implement innovations and policies that address skills and tourism development informed by S4IG models.**
2. **The majority of micro, small and medium enterprises operated by participants improve their performance.**
3. **The majority of diverse participants increase their income.**

A significant objective of DFAT's continued contribution to Sri Lanka's economic recovery under Phase 2 was to build on the achievements of Phase 1 around initial stabilisation of the tourism and skills-related sectors, and to consolidate the models in place with a stronger focus on the TVET enabling environment. Phase 2 sought to take the inclusive models developed to scale through strengthening coordination, planning and policies related to the tourism value chain and skills development. A new EOPO emphasised the national context with the program to build on the substantial investments and successes of Phase 1. These included district-level coordination and piloting new models, and capitalising on opportunities to scale up local partnerships and leverage resources at the sub-national level.

The evaluation found that overall S4IG delivered significant results especially at sub national level. Additionally, its outcomes were closely aligned with Australia's Aid investment Plan for Sri Lanka (2015-2019), the COVID Development Response Plan (CDRP; 2020-23), and the Sri Lankan country context.

Note: The completion report is not available at the time of this management response, and it will be submitted by the program on October 2024.

Recommendation	Response	Action Plan	Timeframe
1. The Evaluation Report to Guide Future TVET/Skills Investments: The <i>S4IG Final Evaluation Report</i> and the <i>DFAT Future Programming Options Report</i> together with the “lessons learnt” from the program evaluation provide valuable information and reference points for structuring a new TVET/Skills design for Sri Lanka, <u>It is recommended this information is used collectively to guide future TVET/Skills investments including the structure, scope and</u>	Agree	DFAT will ensure that new initiatives in skill development are based on the country context, demand, and utilization of the final evaluation of the S4IG program.	Embed within programming timelines.

Recommendation	Response	Action Plan	Timeframe
proposed outcomes, and the risks and constraints to achieving those outcomes.			
2. Program Sustainability Strategy: The evaluation found that DFAT program designs should incorporate specific mechanisms and identified program accountabilities to ensure sustainability beyond DFAT funding. The sustainability of S4IG, will also be assisted by some of the projects being recommended for DFAT's future programming. <u>It is recommended that the S4IG team develop a sustainability strategy for the key areas of the program where other market players can take responsibility for continuing work.</u>	Agree	DFAT will work closely with relevant stakeholders to develop a sustainability plan for the S4IG program. Additionally, DFAT will consider past programming and sustainability options in its future programming.	By program completion.
3. Stakeholder Consultations and Program Socialisation: The expected role, function, contribution, and participation of key stakeholders in the lead up to program implementation is crucial to ensure successful implementation. <u>It is recommended that a range of initiatives and activities be developed to socialize the scope of new program designs and implementation with key stakeholders so that all players have realistic expectations of how donor resources will be utilized.</u> This process will also help to ensure that government and private sector partners do not make ambit claims for resources that are not specifically aligned to the program outcomes.	Agree	DFAT will take partnership approach to programming in line with the International Development Policy.	N/A
4. Program Activity Performance Targets: Determining value for money and the ability to measure and assess program impacts against baseline data is problematic if measurement cannot be made against 'hard targets' and is confined to outputs and broad qualitative measures. <u>It is recommended that future program designs align, and use terminology and methodology consistent with DFAT MERL Standards (Footnotes 1 and 2) set measurable</u>	Agree	DFAT will consider this recommendation in the design of any future interventions and ongoing programs of a similar nature.	Embed within programming timelines.

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<u>performance targets against each EOPO and IO and other design evaluation criteria.</u>			
5. Monitoring, Learning and Evaluation: The accessibility and validation of data are essential elements of assessing program impacts and should be measured against targets specific to each program outcome area. A 'fit for purpose' and context specific management information system (MIS), incorporating data sourcing, repository, and retrieval systems, should also be essential design features. Constructing and maintaining databases for program MERL approaches using quantitative methods involves two separate but related tasks, (i) identifying program objectives and measurable indicators, and (ii) constructing a database with all information necessary for monitoring and evaluation against EOPO and IO's. <u>It is recommended the overview provided at Annex 09, is used for future DFAT program MERL approaches.</u>	Agree	DFAT will ensure MERL approaches are considered in the design of any future programs.	N/A
6. Work Planning – Force Majeure The nature, location, and implementation environment of development programs often expose them to unforeseen risks beyond the control of the client and/or contractor. Early assessments can help to identify critical risk impacts caused, for example, by climate change, political influences and civil unrest that potentially delay or impact on the extent of program activities. <u>It is recommended that, program work plans incorporate a stronger focus on contingency planning, to investigate alternative implementation arrangements and/or other activity options which can be initiated in the event of unforeseen impacts on the program.</u>	Agree	DFAT will consider a risk management approach in the design of future skill development programs.	N/A