

MID-TERM EVALUATION

LAO/029 – LAO/729

Skills Development in
the Tourism and Hospitality Sector
in Lao PDR

PROJECT SUMMARY DATA

Country	Lao People's Democratic Republic
Long project title	Skills Development in the Tourism and Hospitality Sector in Lao PDR
Short project title	Skills for Tourism Project
LuxDev Code	LAO/029
Version of the Report	July 2019

RATING OF THE PROJECT BY THE EVALUATION MISSION

Global rating (Effectiveness)	2-3 On a scale of 1 (excellent results, significantly better than expected) to 6 (the project was unsuccessful, or the situation has deteriorated on balance)
Rating using other evaluation criteria	Relevance: 2 Effectiveness: 2-3 Efficiency: 2-3 Sustainability: 3-4

EXECUTIVE SUMMARY

Background

LuxDev commissioned B,S,S. Economic Consultants in April 2019 to carry out an external mid-term evaluation of the Skills Development in the Tourism and Hospitality Sector in Lao People's Democratic Republic Project, commonly known as the Skills for Tourism Project (LAO/029).

The purpose of the evaluation is to assess relevance, effectiveness, efficiency, sustainability; provide advice and basis for decision making regarding specific evaluation questions; and identify lessons learned for the design of a possible next phase. The evaluation addresses 15 lead evaluation questions as well as nine specific evaluation questions.

The findings, conclusions and recommendations in the report are based on interviews, a written survey, semi-structured interviews and focus group discussions as well as the review of documents.

Assessment

Our observations have led us to following assessment:

- **relevance:** overall, the project is relevant for the different beneficiary groups, aligned with the government priorities and strategies as well with the development context of Laos. It is also relevant for the development partners financing the project;
- **effectiveness:** results achievement is largely on track, in particular outcome 1 (quality) and 2 (variety). Outcome 3 (inclusion) has experienced delays but is likely to be achieved, with some acceleration and adjustments. Regarding outcome 4 (governance), there is disconnect between ambition and interventions, which needs to be resolved. The crosscutting themes gender equality and environment are only partially reflective of the Development Aid Committee markers set at the outset of the project;
- **efficiency:** in terms of efficiency, the project is well managed and led with an effective steering mechanism. The financial and admin processes are efficient delivering value for money. At the same time, the mid-term evaluation team is of the opinion that more room should be given for learning and reflection, as well as collaboration between internal teams;
- **sustainability:** sustainability remains a challenge for several project interventions. The main concerns are linked to systemic aspects of the Technical Vocational Education and Training and Tourism systems. This includes, for instance, future financing of Technical Vocational Education and Training and skills development, specifically as far as disadvantaged persons are concerned, but also the institutional mechanisms to manage and regulate vocational education and skills development.

On the LuxDev scale from 1 to 6 the mid-term evaluation team gives the project a score of 2-3 (i.e. a score between 2 "Above average results, performance in certain areas better than expected" and 3 "Expected results but there is scope for improvement"). While relevance is rated particularly high (2), sustainability receives the lowest score (3-4, 4 being "Below average results, clear need for improvement"). Effectiveness and efficiency are on a par with the overall score (2-3).

Lessons learned

The following learnings can be drawn from the project at its half-way mark:

- **balanced selection of participants:** in many skills development interventions, a good balance between the focus on disadvantaged persons and market requirements is key to ensure both relevance and effectiveness. While there are some open questions regarding the selection of participants and their perspectives to remain in the industry, it seems that the LAO/029 project has attained said balance, in light of the current proportion of disadvantaged persons and promising early signs that employers are satisfied with the training content;

- target figures: the project is on track to reach its target number of beneficiaries; current estimates are that the target will even be surpassed. The discussions with project partners have shown that there are strengths and weaknesses to setting and delivering high target figures. While the strong focus on target numbers has generated a quantitative basis for further assessment and learnings, the mid-term evaluation team believes that the focus has taken attention away from ensuring establishing the right structures and processes for long-term systemic change;
- ownership: the reliance on local institutions to deliver project activities (e.g. during the curriculum development) is paying out in terms of ownership and commitment, which contributes to sustainability;
- leadership: the strong leadership, networking ability and context understanding of the project management has enabled project LAO/029 to establish strong relationships of trust on which both development partners will be able to build in the future;
- joint programming: project LAO/029 delivers a great example of joint programming with two development partners joining forces and complementing each other's strengths and reputation. This makes an important contribution to overall development effectiveness;
- monitoring and evaluation capacities: a project of the complexity and scope of LAO/029 needs sound and comprehensive monitoring and evaluation systems, processes and capacities. It was crucial to increase these resources during the early phases of implementation and to further strengthen capacities throughout phase 1 to provide learning and an evidence base for further scale.

Recommendations

In light of our findings, conclusions and lessons learned the evaluation team formulates the following recommendations. They were presented to, discussed with and acknowledged by project stakeholders during a debriefing workshop in Vientiane on the 24 May 2019.

1. Strengthen understanding and orientation towards systemic change. Result orientation could be considerably strengthened by developing a Theory of Change and by establishing result chains as key tools for intervention management. This would enhance the project's steering, learning and accountability capacity. While this is ideally done at design stage of a project, the mid-term evaluation team is convinced that the project would still benefit from additional reflection about causal links and suggests engaging in such activities immediately after the mid-term evaluation process concludes.

2. Put more weight on collaboration at sub-national level, particularly in major tourism hubs. An intensified collaboration and improved Technical Vocational Education and Training/Tourism governance at sub-national level would likely strengthen buy-in of different actors and overall sustainability of work. The best way of doing so will have to be further refined and may look different depending on the location, but it could range from simply spending more time by the current project team engaging stakeholders, hiring additional staff for more sub-national work to establishing lean sub-national office structures.

3. Optimise synergies and collaboration with other development partners. While collaboration and exchange work fairly well with the project taking a pro-active role in many ways, the evaluation team believes that there is further room to become more strategic about this and collaborate in lobbying e.g. for an improved enabling Technical Vocational Education and Training environment. This has to take place in close collaboration with the two funding partners, who will have to take a pro-active stance on this.

4. Strengthen collaboration with tourism stakeholders and projects. In light of the project's ambition to contribute to tourism sector growth, it seems worthwhile to strengthen collaboration and relationship with Ministry of Information, Culture and Tourism and Departments of Information, Culture and Tourism as well as tourism projects and related development partners.

5. Strengthen internal and external learning and reflection. The mid-term evaluation team recommends developing a simple knowledge and content management strategy, which explicitly guides the learning process and allocate the right resources for it. The strategy should strengthen learning and reflection both within the team, and together with external stakeholders.

6. Bring crosscutting topics from their current 'side stream' status into mainstream. The project should become more strategic in terms of gender equality, environment and governance and improve:

- the capacity of the team and of partners;
- instruments and tools;
- learning and communication.

7. Approve the no-cost extension of the project phase by four months. The evaluation team concurs with the suggestion made to the Project Steering Committee and recommends for extending the project.

8. Approve discontinuation of output 1.4 and re-allocate the respective funds to other outcomes. The evaluation team recommends adopting the suggestion made to the Project Steering Committee. Achieving a National Qualifications Framework for tourism and hospitality is beyond reach considering the resources the project has at its disposal, the lack of requisite foundations (e.g. institutional capacities, resources) and sufficient buy-in from the main stakeholders. To the extent feasible, notions of working towards quality or quality assurance can be considered under outcome 4.

9. Commence operationalisation of the Tourism Training Financing Facility to pay for relevant and effective programmes for vocational education and skills development; coordinate with other projects that have similar-type funds. The mid-term evaluation team recommends starting managing and spending the available Tourism Training Financing Facility funds without further delay. The project should continue liaison with other interventions such as those of the *Kreditanstalt für Wiederaufbau* and the forthcoming Vocational Training and Employment Support Services Project.