SEP
Skills for Employment Programme

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SKILLS FOR EMPLOYMENT PROGRAMME MONITORING, EVALUATION AND LEARNING SYSTEM DOCUMENT

A4.1.2 Monitoring, Evaluation and Learning Framework (MELF),
A4.1.3 Reporting Processes
A4.1.6 Impact Assessment of Existing Models
A1.3.1 and A1.3.2 Skills models for Challenge Fund Piloting
A2.3.1 and A2.3.2 Migration models for Challenge Fund Piloting

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Preface

This document covers Nepal Skills for Employment Programme (SEP) Monitoring Evaluation and Learning (MEL) System and encompasses the following inception phase deliverables:

A4.1.2- The SEP Monitoring, Evaluation and Learning Framework (MELF), which outlines how SEP will approach monitoring, evaluation and learning (MEL) across the programme. The MELF outlines the evaluation criteria and key evaluation questions that will guide data collection, analysis and reporting to DFID and other MEL audiences. The document includes the skills and migration component MEL Plans, which focus on monitoring effectiveness across the Challenge Fund, and will guide the development of customised logic models for the Challenge Fund projects that will be funded.

A4.1.3- Finalise reporting processes, is included as a section in the MELF, in Section 9.

A4.1.4 – MEL Criteria for Challenge Fund, is a separate deliverable, and provided in the MELF in Annexes 2-5.

A4.4.1.6- Plans for Impact Assessments for existing models, is discussed as part of Impact Evaluation in Section 6.5. Note that impact assessments will be conducted for projects that meet the investment decision-making criteria and are funded through the Challenge Fund.

A1.3.1 and A1.3.2 – Skills models for Challenge Fund Piloting is presented in Annex 14 and referenced in Section 6.5. This deliverable presents how impact assessment will be considered for projects that may present themselves through the CF. Existing Nepali training projects are identified under their respective models, and such examples will be encouraged to apply to the CF for piloting and impact assessment.

A2.3.1 and A2.3.2 – Migration models for Challenge Fund Piloting is presented in Annex 15 and referenced in Section 6.5. This deliverable, as above, presents how impact assessment will be considered for migration projects that may present themselves through the CF.

The MELF structure is as follows:

- Introduction and lessons from skills and migration programme
- Overview of the SEP Approach
- SEP Programme-level Theory of Change and component ToCs
- Scope: this covers the audience and purpose of the MELF.
- Key evaluation questions and indicators: this section presents the Key Evaluation Questions (KEQs) with corresponding indicators and data collection/evaluation tools/methods. The approach to end of programme outcome indicators, such as productivity, is discussed in section 5.3.
- Methodology**:** this section outlines proposed methods that can be applied, including discussion on impact assessment, and value for money.

FOR ADDITIONAL INFORMATION On सीप Monitoring Evaluation and Learning (MEL) System:

Mr. Avigya Karki; Monitoring Evaluation and Learning Director   Email: Avigya.Karki@seepnepal.com

Mr. Byron Pakula, Monitoring Evaluation and Learning Expert   Email: Byron.Pakula@seepnepal.com

Mr. Damien Sweeney, Monitoring Evaluation and Learning Specialist   Email: Damien.sweeney@seepnepal.com

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Acronyms

CTEVT	Council for Technical Education and Vocational Training
DAG	Disadvantaged Group
DFID	Department for International Development
ECB	Evaluation Capacity Building
EOI	Expression of Interest
EOPO	End of Program Outcomes
GDPR	General Data Protection Regulation
GESI	Gender Equality and Social Inclusion
GIIN	Global Impact Investing Network
GoN	Government of Nepal
ICT	Information Communications Technology
ILO	International Labour Organisation
J-PAL	Abdul Latif Jameel Poverty Action Lab
KEQs	Key Evaluation Questions
M4P	Making Markets Work for the Poor
M-CF	Migration Challenge Fund
MEL	Monitoring Evaluation and Learning
MELF	Monitoring Evaluation and Learning Framework
MELP	Monitoring Evaluation and Learning Plan
MIS	Management Information System
MoFA	Ministry of Foreign Affairs
MoLESS	Ministry of Labour and Employment and Social Security
MoU	Memorandum of Understanding
MSC	Most Significant Change
NLFS	Nepal Labour Force Survey
OECD	Organisation for Economic Cooperation and Development
PEA	Political Economy Analysis
PwD	Persons with disabilities
QA	Quality Assurance
QEA	Quasi experimental approach
RCT	Randomised Control Trial
S-CF	Skills Challenge Fund
SEP	Skills for Employment Programme
SIPSI	Significant Instances of Policy and Systems Influence
TBC	To Be Confirmed
TEVT	Technical Education and Vocational Training
ToC	Theory of Change
ToR	Terms of Reference

1. Introduction

The DFID-funded Skills for Employment Programme (SEP) is a £17 million investment that will run for four years, from July 2018 to July 2022. SEP will broker transformational partnerships with the private sector to propel growth and productivity in selected priority sectors through expanded access to quality skills training and job placement. The programme will focus on five sectors/industries with growth potential closely tied to skills for employment: tourism, agriculture, hydropower, ICT and light manufacturing.

DFID has competitively selected Louis Berger, Inc., a global consulting firm, to deliver SEP to better train and place Nepalese in both domestic and international jobs.

SEP will draw on national and international resources and expertise to provide co-investment and technical advisory support to the private sector. It will use a Challenge Fund (CF) mechanism to collaborate with the private sector to bring in innovative training and migration models to address market failures while also leveraging private sector resources. A Challenge Fund is a financing mechanism to co-invest matching programme funds for specific partnerships with the Nepalese private sector. A Challenge Fund invites proposals from companies, organizations and associations to meet specific objectives as a means of triggering investment to stimulate innovation for effective employment opportunities for the programme beneficiaries.

SEP will help overcome the skills mismatch, reaching over 90,000 Nepalis with gainful employment through increase in income, as well as according greater employment opportunities for women, Disadvantaged Groups (DAGs) and Persons with Disabilities (PwDs). The programme will also help increase migrants' incomes through skills training; lower financing and other costs of traveling abroad; and, increase savings and investment of remittances.

SEP fits within DFID-Nepal's wider Skills for Employment investments, which also includes the Employment and Labour Market Policy Support (ILO), and these in turn fit within the Economic Development Portfolio.

SEP has two components:

- Skills systems strengthening, innovation and delivery
- Migration for development

1.1 Skills systems strengthening, innovation and delivery

A poor educational system, a history of conflict and political instability, and other symptoms of poverty leave many Nepalese with limited employable knowledge and skills. Nepal's tertiary education system is also poorly regarded by employers who say there is a "gap between academia and industry" and "graduates don't meet the requirements needed". At the same time, slower job and wage growth (labour demand) in more skilled industries is not in-step with skilled graduates (labour supply), impelling many skilled people to migrate to developed countries for better job prospects, stability, and wages while leaving behind many semi- or unskilled workers. A market gap is created as workers fail to meet the skill demand and/or wages are comparatively too low to make working worth their while.

Nepal's TVET system was created to help bridge the skills gap and comprises formal, informal, and non-formal education, but despite numerous providers, an estimated 62% of youth cannot access TVET1. There is a gap between employers' demands and training providers (TPs) offerings. Employers themselves are hesitant to invest significantly in training as trainees are likely to work for a short period of time before taking learnt skills and leaving for better opportunities. In addition, small domestic markets limit firms' ability to increase wages (and retain staff) and, in some cases, firms opt to employ cheaper, abundant foreign labour or automate.

The Skills component will broker transformational partnerships with the private sector to propel growth and productivity in selected priority sectors through expanded access to quality skills training and job placement. The programme will focus on five sectors/industries with growth potential closely tied to skills for employment: tourism, agriculture, hydropower, ICT and light manufacturing. Based on study of literature and discussions with the stakeholders, these sectors were identified as the ones with the most potential for economic and social transformation of Nepal. Further research, including a literature review of available data on macroeconomic, labour, and industrial parameters, as well as a survey of 79 key stakeholders across Nepal representing business associations and chambers, NGOs, and prominent industry leaders, identified several skills gaps across these five sectors [see Table 1 below and the Skills Macro-Economic Survey deliverable (A.1.2.1) for more details].

Table 1 Skills gaps in priority sectors

Commercial Agriculture	Light Manufacturing	Hydropower	Tourism	ICT
Digital Literacy	Plant/ Machine Operators	Specialised Construction Skills (e.g. tunnelling, special electronics work, and bridge-building expertise)	Hospitality-related Skills (such as front office, housekeeping, landscaping, masseurs, hotel managers)	Software Development (such as software testing & quality assurance, Data Analytics, Cloud-services, Database Management)
Technical Assistance to farmers (Agriculture and Plant Sciences)	Machinery Maintenance & Repair			
Packaging & Labelling/ Branding & Marketing	Packaging & Labelling	General Construction Skills	Lodge-Management (such as small business management and digital skills)	ITeS (IT-enabled Services) related skills (such as data processing, customer care professionals, call centre operators)
Quality Control & Testing	Quality Control & Testing			
Heavy Machinery Operators (and Repair)	Logistics/ Warehousing	Project Management Skills	Food & Beverage (such as cooks, waiters, baristas)	Project Management/ Engagement Management
Warehouse Operations	Industrial Relations			
Feed formulation	Leadership Skills and Human Resources		Tour & Trek Activities (such as tour guides, hiking guides, trekking and mountaineering guides)	Telecommunication (such as fibre/optical cable installation, GSM Installation, air-conditioning and generator maintenance, IT technicians, Repair and maintenance technician)
Farm Management	Extended Value Chain related Skills			
Digital Literacy	Plant/Machine Operators			

SEP will use a market systems approach to partner with the private sector to test innovative training models to address key gaps and market failures in these priority sectors. A number of industry-preferred models[1] have been identified through the firm-level survey (see Deliverable A1.2.2). These are identified below, with the corresponding Challenge Fund window.

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[1] A model refers to a pre-defined approach, existing or new, that guides actions to bringing about a desired result. For example, on-the-job training is a model for skilling workers. Multiple projects or interventions may be contained within a model and could be the basis for a challenge fund window.

Table 2. Skills component training models

Window	Model
1. Employer/Industry led Training Models	1. Employer sponsor/ own training provider (Affiliated to national or international institution) 2. Apprenticeship/ Industry Trainee programme (fully Employer led) 3. In-house training with internal and/or external certification (National) 4. In-house training with internal and/or external certificate (International)
2. Provider Led Training Models	5. Skills Assessment (L1/2/3) & certification/Recognition of Prior Learning (RPL) 6. Institution based with on the job component
3. Training Models specifically for GESI (incl. PwDs)	7. I/NGO livelihood training programme 8. Civil society associations and community-based organisations initiated skills based training for PwDs
4. Open Window	Partner-led approach that are not covered by other models and align with investment decision-making criteria and DFID's principle of "Leave No-one Behind"

1.2 Migration for development

Most migrants from South Asia are unskilled or semi-skilled, 74% and 12% of migrants from Nepal respectively. Remittances in 2016 represented 29.7% of the country's GDP[2], compared to 2.4% in 2001, ranking Nepal amongst the top five remittances recipients as a share of gross domestic product (GDP). The Migration Mapping Report (A.2.1) goes in much greater detail on these issues, highlighting the need for SEP's aim at raising migrants' net income, increasing migrants' savings and investment, and increasing migrants' productive investment inefficiencies of migration.

The Migration component will help increase migrants' incomes through skills; lower financing and other costs of traveling abroad; and, increase savings and investment of remittances. A Macroeconomic survey of migration in Nepal (Deliverable A2.2.1) identified the market failures, profiles of migrants, and opportunities for reducing cost of migration, increasing income, and increasing savings and investments.

A number of models have been identified to overcome the market failures.

Table 3. Migration component models

Window	Model
5. Cost of Migration and Ethical Recruitment	9. Financial products for lowering cost of migration 10. Migrant skilling 11. Access to factual information (innovative platforms/ technology)
6. Savings and Investment	12. Financial products for savings and investment 13. Financial literacy
7. Open Window	Partner-led approaches - Projects that are not covered by other models and align with investment decision-making criteria and DFID's principle of "Leave No-one Behind"

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[2] Migration and Remittances: Recent Developments and Outlook Special Topic: Global Compact on Migration April 2017.

1.3 Lessons from the evidence base

SEP's design and Monitoring, Evaluation and Learning (MEL) is informed by a document review of the evidence base for skills and migration programmes and a review from the lessons of other DFID skills programmes (e.g. JOBA), with key points summarised below.

Lessons from skills programmes

Demonstrating positive impacts, including VfM, from skills and employment programmes is challenging and there is inconsistency in research findings.

Betcherman, Olivas and Dar (2004) note that a wide range of results can still be found with some programs demonstrating positive labour market effects for participants and others showing either no impact or even negative effects.

JPAL (2017) note the main conclusion arising from the literature is that training has had mixed results. Some encouraging results have been obtained from randomized evaluations of programs that combine cognitive with non-cognitive skills training, but whether the positive impacts will persist is still an open question.

Red Note (2018) highlights skills programmes:

- Have an impact when skills supply is less than demand (which is why we focus on filling demand rather than creating supply).
- Impacts are generally more on individuals (which is why inclusion is important and possible), and
- Good for growth is not the same as good for employment (which is why we focus on businesses and employment outcomes)

Targeting skills programmes in the right way and to the most appropriate partners is essential for success

Evidence from various studies suggests that programs are more cost effective when the private sector is involved in developing the curriculum or training methods or in providing on-the-job training via internships or apprenticeships. See DFID Subsidy Policy for more details.

K4D Helpdesk's Youth Note suggests MSMEs are significantly more important for employment generation in the broader economy, however interventions are more successful at creating employment and income opportunities when partnering with larger firms as they have more resources.

Evidence notes that women's economic empowerment less successful when targeting labour market regulations; more likely to succeed when specifically integrated in the program and including multifaceted approaches; and when targeting individuals rather than systems change.

Methods used often are quite heterogenous, context specific and lacking in experimental designs - making generalisations and comparisons difficult. Hammer (2017), in a critique of RCTs, notes "*RCTs and similar techniques have recently been used to evaluate policies, including training programs that benefit the trainee or their employer (after a long history using other research methods that had concluded that these programs rarely work, RCTs have "discovered" the same result*"

Lesson	SEP Nepal action
Weak use of evidence to improve programme	Rigour mixed-methods evaluation approaches; investment decision making criteria; 6-monthly reflection processes across different levels to inform progress, learning and improvement.

Skills programmes haven't historically captured displacement	SEP will monitor unintended consequences such as displacement across both skills (e.g. older workers, other youth not taking part in SEP looking to gain employment) and migration (displacement of Nepali and other country migrants).
Weak evidence of skilling programmes alone leading to employment outcomes	SEP will maximise the links between training and employment
Rapid evidence for decision making	Prototyping stage in advance of piloting; integrating MEL into the decision-making framework of CF.
Weak benefit-cost analysis and assessments of value for money	DFID 4E's policy on VFM mainstreamed into MEL, including economy, efficiency (i.e. investment decision making criteria, CF modality), cost effectiveness analysis, and evaluations.
MEL to give sufficient attention to monitoring qualitative aspects	Mixed methods included expected/unexpected, qualitative/quantitative, outcome harvesting tools, etc.
Indicators assigned at the start (e.g. ToRs, design) may no longer be appropriate	Nested ToC will define component outcomes and indicators, relevant to the underlying problem analysis
Targets and performance expectations need to be reviewed	Feasible 'hurdle' and 'stretch' targets will be set based on ToCs, with 6-monthly progress reviews
Women's economic empowerment to include discrete interventions	Specific windows for GESI; opportunities for replacement while avoiding displacement. Evidence indicates that women benefit more from skills programmes

Lessons from migration programmes

Meta reviews on migration programmes (McKenzie, World Bank 2015) noted:

- the need for policy, system and transformational change in migration programmes;
- emphasis on information asymmetries, lowering remittance cost, and lowering cost of migration; and
- process mapping of the migration process to identify opportunities for improvement.

There is limited literature on RCTs on the impact of remittances on households in Nepal.

SDC, IFAD and ILO are active in the migration project, but using participatory method for impact evaluation. Methods used for evaluation migration related projects are Most Significant Change (IFAD), Tracer Study (SDC).

Evaluating Challenge Funds

Well marketed Challenge Funds receive a large number of applications per round, which requires an efficient and transparent selection process. A dual system of an initial concept followed by fully developed proposals based on shortlisting is recommended.[3]

The Challenge Fund modality places a monitoring and evaluation requirements upon delivery partners. This can take a number of forms, expectations, and resourcing (funding and skills) implications that may, or may not align, with partners' core interests in participation. For example, O'Riordan et al. (2003)[4] note that private for-profit firms lack both incentives and skills to assess the development impact of projects (as opposed to their contribution to business sustainability), and therefore, should not be required to take on this responsibility for this. In contrast, NGOs may have more interest in development outcomes, but there may be issues related to independence, and the time scale required to measure impacts. O'Riordan et al. (2003) conclude that the scope

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[3] https://www.sida.se/contentassets/3aa2456211934e8dac038ea55fcddccd/guidelines---challenge-funds_3466.pdf
[4] http://www.bath.ac.uk/cds/publications/BPD28_Challenge_Funds_in_International_Development.pdf

of impact assessment in Challenge Funds can include more open-ended or exploratory research into systemic and unintended impacts as well as aggregate performance of funds as a whole.

The Springfield Centre, through a review of Challenge Funds, notes that monitoring must focus on evidenceof output and behavioural additionality, and findings must feeback int o modified designs.[5]

The implications from these lessons inform the MELF, from investment decision-making criteria, and the evidence to prototype to pilot to scale approach, and impact evaluation. The appropriateness of Randomised Control Trials (RCTs) is discussed in the MELF.

1.4 Other donor programs

There are currently two other donor-funded programmes in Nepal focussed on skilling workers, and one loan-funded programme (seen Annexes 15 and 16 for more details). It will be important to identify whether investment partners and beneficiaries have taken part in other programmes as this may impact the attribution and contribution towards outcomes. The main programmes to consider are:

- The Swiss Agency for Development and Cooperation (SDC)- funded Enhanced Skills for Sustainable and Rewarding Employment (ENSSURE) Project[6], that includes apprenticeship training (1,500 people), short training courses with robust On the Job Training (OJT; 5,850 trainees) and upskilling existing workers (13,650 workers from 200 companies).
- The European Union (EU)-funded Dakchyata Practical TVET Partnership[7], that includes will exploring innovative approaches, and participatory and sustainable methodologies to pilot sustainable Public-Private Partnership (PPP) models for TVET.
- The World Bank loan-funded EVENT II programme[8] will finance the training of about 115,000 youths in the age group 16-40 years in CTEVT recognized short-term vocational training programs with special focus on disadvantaged and rural youth, women, and migrants (potential, repeat and returning migrants)

1.5 About the MEL Framework

This document outlines the monitoring, evaluation and learning framework (MELF) that will be applied to SEP over the contracted period of four years. The MELF is designed to reflect the MEL requirements in DFID's Terms of Reference (ToR) and DFID's M&E requirements, as part of DFID Nepal's Economic Development Portfolio, and wider SEP programme (encompassing several investments).

The MELF includes the following sections:
- Overview of the SEP Approach
- SEP Programme-level Theory of Change: this section presents the programme-level ToC. The component-level ToCs are presented in the separate MEL Plans.
- Scope: this covers the audience and purpose of the MELF.
- Key evaluation questions and indicators: this section presents the Key Evaluation Questions (KEQs) with corresponding indicators.
- Methodology: this section outlines proposed methods that can be applied.

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[5] http://www.springfieldcentre.com/wp-content/uploads/2017/11/2013-01-29-Challenge-Funds.pdf
[6] http://enssure.org.np/index
[7] https://www.britishcouncil.org.np/technical-vocational-education-and-training-reform-tvet-pp
[8] Event II programme http://www.event.gov.np/en-at-6-9.aspx

Monitoring tools and more detailed technical notes will be progressively developed and presented in separate component Monitoring, Evaluation and Learning Plans (MELP) for each component, which are presented in Annexes 13 (skills MELP) and 14 (migration MELP).

As noted in the preface, this document encompasses a number of SEP Inception Phase deliverables related to MEL. The overall MELF structure as part of SEP programme MEL system is illustrated below.

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                              SEP
                              MELF
                  ┌─────────────┴─────────────┐
            Skills MEL                    Migration
              Plan                        MEL Plan
          ┌───┘                       ┌───┘
      Project A                   Project A
          │                           │
      Project B                   Project B
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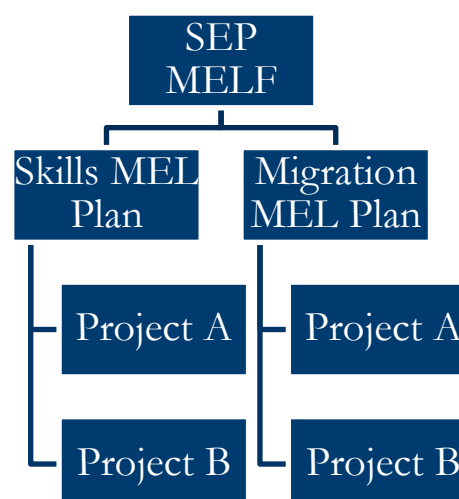
2. Skills for Employment Programme Approach

This section outlines the SEP approach, based around five frameworks (discussed below) that have been used to inform the primary research, problem analysis and investment decision making criteria. Furthermore, this section explores the Challenge Fund modality that is being deployed across the intervention. This sets the scene for the theory of change in the following sections.

2.1 SEP Principles

The following principles underpin SEP's design and implementation, linking to the five frameworks:

- **Value for money:** SEP considers DFID's 4e's definition of value for money (economy, efficiency, cost-effectiveness and equity) throughout the entirety of the programme. Economy is considered in terms of the use of limited resources as defined in the operations manual; efficiency is fundamental to the CF approach that is being deployed including its ability to leverage additional resources; cost-effectiveness will be tested and demonstrated through the interventions; and equity is mainstreamed through the twin-track approach including specific CF windows to supporting leavening no one behind.
- **Sustainable:** The endurance of benefits beyond the SEP programme is integral to its success. Sustainability exists in the planning stage through the identification of potential market failures and interventions that ease those failures sustainably; the co-leverage of private sector resources making ongoing programme implementation more likely; and the government and market led approaches being introduced.
- **Market-based:** SEP aims to work with the forces of the market. This involves a range of different mechanisms: the CF modality itself is a market-based instrument that looks to 'auction' resources to those able to deliver on the outcomes being sought by SEP; the M4P approach of assessing and co-designing interventions; as well as working at the macro/meso sectoral level to promote transformative and inclusive growth.
- **Inclusive:** The GESI targets for SEP cuts across the entirety of the programme, highlighting the importance of gender, disadvantaged groups and persons with disabilities. This forms the foundations of the programme, including the GESI analysis that will inform the twin-track approach of mainstreaming and targeted interventions.

2.2 SEP's Five Frameworks

Five frameworks inform SEP's investment decision-making principles and underpin the programme's MELF. These are used across SEP due to the wealth of experience and data that demonstrates these as being the most effective frameworks – lessons have been drawn from theory in a range of research reports for SEP, good practice and lessons from other development programs in Nepal and globally and based on the wealth of experience from the SEP team. This is represented in Figure 1, with a brief description below and more detail about frameworks in Annex 1.

Figure 1. Frameworks that underpin SEP

Evaluation and knowledge dissemination

Implementation and MEL

Design of SEP activities and MEL

Investment decision-making principles

| Evidence-driven and innovation to pilot to scale | Enablers of business growth and productivity | Challenge Fund | Making Markets Work for the Poor | Gender & Social Inclusion Twin Track |
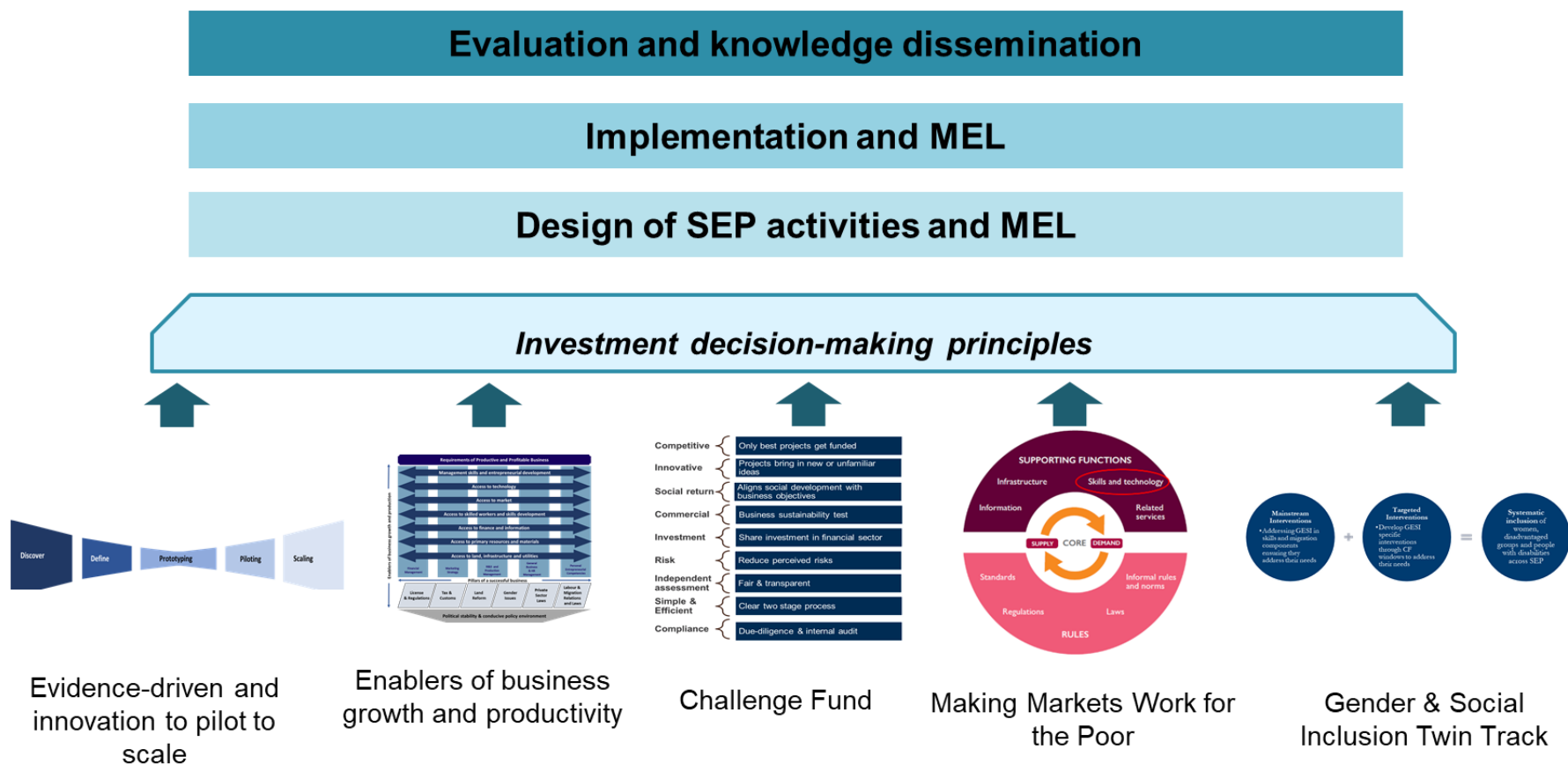
Table 4. Frameworks and their brief description and relevance to SEP

Framework	Brief description and relevance to SEP
Evidence driven and innovation process	SEP recognises the mixed evidence of the benefits from skills training programmes, particularly in measuring employment outcomes, cost-effectiveness and displacement. There is evidence that skills training is has more impact on women beneficiaries, and that complementing technical skills with 'soft skills' can improve the impact of training (see Section 1.3 & MEL Literature review). Using a demand-driven approach and based on research on the market failures across both skills and migration components, SEP will work with partners to design, prototype and pilot innovative interventions. Innovation can be broadly defined as the development of a new idea, method or service, through either evolutionary or revolutionary innovation. Evolutionary innovation involves adapting new ideas to the existing world and involves incremental improvements, whereas revolutionary innovation seeks to adapt the world to new ideas and involves the creation of whole new industries or business models. Broadly, these forms of innovation follow a phased approach to programming from discovery, ideation and prototyping to piloting and scaling. It is likely that SEP will apply mostly evolutionary innovation, though some new ideas used elsewhere may enter the Nepal context, providing a type of revolutionary innovation at a national scale.
Enablers of business growth and productivity	This framework provides the means to understand how skills interacts with other enablers of business growth and productivity, and the legislative/regulatory environment. SEP, particularly with the skills component, focuses on providing skilling to achieve the programme's outcomes. It will be important to be cognisant of other barriers during the selection of Challenge Fund projects and ensure that applicant can demonstrate that skills are the main barrier to achieving the desired outcomes, and/or that applicants are tackling other barriers to 'pillars' of business growth and productivity in concert with SEP's skills interventions. This also provides the basis for the SEP engagement strategy and partnerships with other programmes such as ILO on employment, labour and migration policy and EPI on provincial level sectoral policy constraints and Sabaala on specific interventions to reach and retain women in the workforce.

Framework	Brief description and relevance to SEP
Challenge Fund modality	The Challenge Fund (CF) modality forms the basis of engagement with the private sector to address specific market failures sustainably. The estimated size and the impact of the market failure will determine the level of subsidy. The use of a market-based instrument supports a private-sector led – and possibly where appropriate NGO led - demand driven programme and assumes a more efficient use of resources. The CF modality is expected to generate a greater level of innovation across SEP, as it forms the basis of the requirement for participation.
Making Markets Work for The Poor (M4P) principles	SEP will use a M4P approach to underpin its sustainable market-based interventions with regards to employment and labour markets. The M4P framework identifies that skills is one of a number of supporting functions, along with rules and the role of labour market intermediaries and functions to support job placements and labour market information, that require consideration to bring about sustainable change, in addition to core functions of supply and demand of labour.
Twin track approach to Gender Equality and Social Inclusion (GESI)	GESI underpins SEP, from analysing the skills and migration context in the discovery phase, to the selection of models to pilot and scale up. SEP will take a twin-track approach to GESI, including (i) mainstreaming of GESI in the planning, preparation, implementation, monitoring, evaluation and reporting across all interventions; and (ii) targeted interventions that aim to address particular challenges most notably through specific CF windows aimed at reaching these groups.

2.3 Investment Decision-Making Principles

The investment decision making principles are founded on the five frameworks described above, and provide guidance for the programme, particularly the formative stage. They are separated into sector level (principles that cut across the five sectors, predominantly at the meso and macro level) and project level (principles for designing and selecting individual CF projects). It is noted that there are synergies and overlaps between the sector and project level, though these are delineated here as they apply differently to the sector analysis (e.g. problem analysis, macro-economic research) and the project considerations (e.g. CF processes). For further details on the criteria, see Annex 2.

Sector Level
- **Problem analysis**: Identify specific problem statements coming from skills and migration challenges and how it is being addressed.
- **Market failures**[9]: Address identification of skills and migration related causes that does not lead to rational outcome for the market. It explores how these identified market failures are being addressed sustainably.

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[9] Significant research has been undertaken as to the nature of market failures of skills and migration in Nepal. The primary

- **Broader Goals (quantity)**: identify the number of beneficiaries that will be reached and how will this benefit be quantified.

Project Level
- **Additionality**: The principle of providing funding to projects that would not have gone ahead, nor been scaled up, or would have been delayed for a sufficiently long period of time without catalytic funding. The 'additional' outcomes as a result of the projects.
- **Eligibility**: The principle of providing funding to projects that assures fulfilment of minimum standards (registration of entity, financial stable etc.) of the applicant to deliver the project deliverables.
- **Potential Impact**: The principle of providing funding to projects that assess the extent the project contributes to SEP goals and targets as well as the ToCs' outcome and impact areas.
- **Evidence and Evaluability**: The principle of providing funding to projects that are responsive to the existing evidence and have adequate monitoring, evaluation and learning structures in the project design to make it sufficiently able to be evaluated and contribute to the evidence base.
- **Inclusion**: The principle of providing funding to projects that increase the active participation of women, disadvantaged groups (DAGs), and persons with disabilities (PwDs).
- **Innovation**: The principle of providing funding to projects that promotes use of model with innovative delivery mechanism with appropriate learning channels, and/or bringing new international partners (e.g. UK training institutes) to Nepal to help innovate and develop new training.
- **Intervention**[10]: The principle of providing funding to projects that prompts solution to identified market failure that combine multiple, complementary strategies are typically the most effective in sustainably easing the market failure for systemic market impact. The intervention has assessed and mitigated potential market distortions.
- **Leverage**: The principle of providing funding to projects that promotes private sector financial, capital, as well as human resource investment in the programme.
- **Scalability**: The principle of providing funding to projects that assess the extent of the potential project to scale up, scale out, or scale deep and can be replicated by private or public sector.
- **Sustainability**: The principle of providing funding to projects that support the easing of market failures sustainably and promotes project to be systemic and endure the benefits beyond the project timeline and have made a strong case on how they will replace programme financing through either private or public funds (user pay, employer pay, public institution pay).
- **Value for money**: The principle of providing funding to projects, which utilises evidence-based choices to maximise the impact of each Nepalese rupee spent on programme activity, and that in particular are cost effective.

DFID Subsidy Policy Framework
DFID's policy framework for the provision of grants or concessional finance for for-profit entities, known as the DFID Subsidy Policy Framework, overlaps with the investment decision making criteria at the project level. Specifically, the six criteria that are included in the eligibility requirements are elaborated below, with their alignment to the above-listed decision-making criteria identified.

1. **DFID subsidy must always have a clear development rationale and an economic rationale.** Subsidising a firm should be the best possible way to achieve our development goals while providing value-for-money to the taxpayer. There are two primary rationales for public subsidy; firstly, overcoming market

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data collection being undertaken through the problem analysis, macroeconomic research, firm surveys and *etcetera* will provide greater depth to the understand of these market failures.
[10] This will be referenced to the Theory of Change when fully developed.

failures, and secondly, achieving equity or distributional goals. [Aligns with Problem Analysis, Potential Impact, Value for Money]

2. **DFID subsidy should demonstrate additionality.** All subsidies should ensure additionality – that the development outcomes would not have been achieved without DFID support or would have been delayed for a sufficiently long period of time. [Aligns with Additionality]

3. **DFID subsidy should deliver sustainable development outcomes.** Public subsidy to the private sector is intended to support investments with high developmental impact and where long-term commercial sustainability is expected. Subsidies should be time-bound and on-going subsidies should be avoided. [Aligns with Sustainability]

4. **DFID subsidy should minimise market distortions.** DFID subsidies should seek to temporarily incentivise certain investments, to nudge markets towards more socially efficient outcomes. The subsidy should be the minimum necessary and targeted as closely to the market failure as possible. Poorly designed or poorly targeted subsidies can distort markets and create inefficiency. [Aligns with Intervention]

5. **DFID subsidy should make a credible contribution to achieving systemic market impact.** Targeting systemic market impact is important to ensure our interventions support the development of entire markets to achieve market transformation. They should avoid locking in inefficient market distortions by only benefitting individual firms. [Aligns with Market Failures]

6. **DFID subsidy should align incentives with commercial partners.** The alignment of incentives between commercial and development partners is critical in achieving development outcomes through subsidised commercial projects [Aligns with Leverage].

2.4 Challenge Fund

MEL is integrated in the Challenge Fund modality, from its planning, selection of partners (investment partners), implementation and evaluation. This section provides an overview of the steps throughout the CF process which are aligned with the MEL system (see Figure 2). A detailed description of the Challenge Fund process is provided in the SEP Challenge Fund Manual.

MEL informed the CF Expressions of Interest (EOI) assessment rubric (Annex 3), to ensure that potential projects align with the overall investment decision making principles.

The MEL system similarly informed the CF full assessment criteria, that follows the EOI step (see Annex 4). The full assessment aligns with the investment decision making principles, SEP Leadership Team and MEL/GESI will choose those EOIs which best meet the criteria. The ISC will choose which investment applications will go to pilot.

At the decision points for prototype to pilot, and pilot to scale up, there are essentially four options:

- Keep – Continue supporting the intervention, and move from prototype to pilot, early stage to late stage pilot, or pilot to scale.
- Change – Review the intervention logic and revise the project, without progressing to the next stage of the CF process.
- Drop – Discontinue support for the intervention and cancel the project.
- Add – Include a new activity, service, product within a model that would complement the existing suite of interventions, which could include adding components or depth to existing interventions.

The MEL system informs the evaluation of the pilots, through a performance rubric that assesses outcomes against selected investment decision making principles (see Annex 5).

Figure 2. MEL integration with Challenge Fund process

| Expressions of Interest (EOI) solicited from potential partners | → | Potential partners submit EOI | → | **SEP FM Review**: MEL/GESI/ Skills/Migration assessment against EOI rubric | → | Selected partners supported to prototype their models | → | **SEP FM Review**: MEL/GESI/ Skills/Migration assessment against full assessment rubric |

DFID Informed

DFID Informed

| Selected partners go from pilot to scale | ← | ISC approves pilot-scale decision | ← | MEL evaluates pilots against performance rubric | ← | Selected Partners pilot their projects | ← | Independent Selection Committee (ISC) approves against full assessment rubric |

DFID No-objection

DFID Informed

| ▮ | SEP Team (CF, MEL, GESI, Skills/Migration) Assessment against MEL assessment Rubrics | ▮ | ISC approve projects with guidance from MEL, GESI & Skills/Migration | ▮ | DFID Involvement |

3. SEP Theory of Change

The programme and MEL architecture is based on a nested Theory of Change (ToC) approach that includes three tiers that inform the overall MEL system. This nested approach provides flexibility in the type of MEL used at the project level, while ensuring that results are able to be aggregate with consistent methodologies to the component level and ultimately across all of SEP. That is:

1. **Overarching programme level ToC** building on the problem analysis and communicates how SEP will meet DFID's SEP outcome and impact statements, and the alignment with DFID Nepal's SEP ToC intermediate and final impacts (see Annex 6 for DFID SEP ToC). The programme ToC's end-of-programme outcomes (EOPOs) align with DFID SEP ToC's final outcomes. The programme-level summarises the component level ToCs and provides a simple and communicable overview of the whole programme.

2. **Component level ToCs** for skills and migration identify the pathways and preconditions for achieving skills systems strengthening, innovation and delivery, and migration for development outcomes.

3. **Project level Programme Logics** (Challenge fund and other delivery mechanisms) will be nested within the component level ToCs and will be developed by partners, with support from SEP MEL.
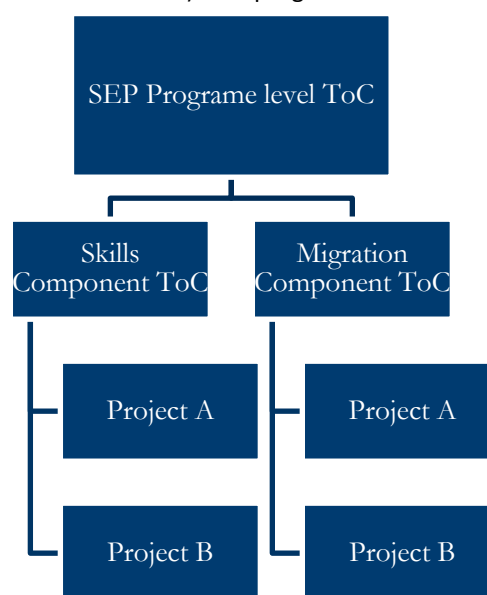
The programme level ToC is presented in Figure 3 and described in narrative below. The component level ToCs are presented in Figure 4 (Skills) and Figure 5 (Migration), with the narrative in the component MELPs[11].

The ToCs use a people-centred approach, whereby outcomes at the different levels generally identify the 'who' and the desired 'change' in practice or behaviour.

The nested ToCs form the foundation for a rigorous and fit-for-purpose MELF for the programme. Component-level and project-specific MELPs will be developed to include assessment of attribution and contribution.

Data collection methodologies at the project level will be tailored to meet the needs for the CF, while aggregating performance to the components and programme level will provide a different lens to synthesise and analyse the data. MELPs will include common/core indicators (e.g. reach and outcomes) to be aggregated at the programme level, as well as ensure adaptive management within projects. That is, aggregate development results will be collated at the programme level, and these will inform DFID SEP's logframe. Core indicators will be defined at the component level that all interventions will report against; and project-specific indicators will also be generated of which some will aggregate.

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[11] It is important to note that the programme and component level ToCs are incomplete. At the time of writing the draft MELF, the problem analysis for Skills and Migration had only recently been completed, and resultantly the workshops for developing the detailed ToCs (inclusive of the indicators for outputs, outcomes and impacts) had

The programme ToC informs the programme's logframe (Annex 7), which align with the data collection needs of DFID Nepal's SEP logframe (Annex 8).

SEP
Skills for Employment Programme

UKaid
from the British people

Figure 3. Programme level Theory of Change

Job-rich transformational growth

Holding pattern growth

Level	Content
Impact statement	Increased trade and investment with India · Formal sector job creation · Growth in manufacturing & high value services · Gender inequality reduced · Increased incomes in subsistence farming and off-farm jobs · Increased incomes from migrations (per migrant worker) · Increased growth in Mid & Far East
Intermediate Impacts	Growth of hydropower · Key sectors more competitive · Jobs or incomes increased in formal high productivity sectors · Incomes of women & girls increased · Incomes increased in informal or low productivity sectors and migrant workers

SEP Impact Statement "More productive and equitable vocational skills and migration systems improving the livelihoods of poor Nepalis"

SEP Outcome Statement "Young people, especially women and disadvantaged groups gainfully employed with higher wages and improved working conditions"

End of Programme (final) Outcomes
- Nepal skills system strengthened
- Business productivity increases by 20% (for already-employed beneficiaries)
- Beneficiary income increases by 20% (for pre-employment beneficiaries)
- Beneficiaries are gainfully employed (45,000)
- Annual income from migration net of costs increases by 20% on average
- Increased savings and/or investment of remittances

45,000 beneficiaries; 1/3 women; 40% DAGs

Intermediate programme Outcomes
- Federal/Province/Municipality invest in State-led training (*out of SEP scope*)
- Federal/Province/Municipality enter into Public-Private Partnerships
- Effective training models scaled up with sustainable funding and management
- Employer & sector skills gaps filled
- Skilled-up unemployed in sustainable income generating activities

45,000 beneficiaries; 50% women; 40% DAGs, 500 PWDs
- Already employed beneficiaries apply skills for their roles
- Skilled-up unemployed workers employed
- Migrants reduce costs
- Migrants increase their income
- Returned migrants apply skills acquired abroad in Nepal
- Migrant households increase savings and productive investments
- Migrants access loans, remittance and other products relevant to migration
- Migrants access skills training
- Migrants and households make informed decisions on migration and productive use of remittances
- Migrant households access savings schemes and credit
- Migrant households gain financial literacy skills

Immediate outcomes
- Provinces/Municipalities develop sector skills strategies around prioritised sectors
- Partner organisations pilot and scale-up demand-driven training models
- Partner organisations pilot and scale-up migration products and services

Activities
- Technical assistance to Federal/selected Provinces/Municipalities to prioritise needs for skills development / job creation
- SEP runs skills component Challenge Fund
- SEP runs migration component Challenge Fund

Skills Component- Federal/ Province TA

Skills Component- CF

Migration Component- CF

Inputs
Funding for Technical Assistance to Federal Government / Provinces; Technical Assistance to Challenge Fund partners through Accelerator programme; Challenge Fund funding

ASSUMPTIONS- Skills
Private sector will engage and co-invest in Challenge Fund to promote employment, create entrepreneurship, HR systems, and retention policies;
Private sector will co-invest with Province in Public Private Partnership;
Post-employment learners remain in their workplace;
Pre-employment learners find employment (full time or contract) or commence income generating activities;
Economic conditions do not change for the worse;
Political and regulatory setting remain stable;
Skills training leads to increased personal productivity and increased income;
Cooperation with MoLESS/ILO leads to GoN regulations that incentivizes employment opportunities for Nepali workers first;

ASSUMPTIONS- Migration
Cooperation with ILO leads to GoN regulations that facilitate safe, orderly and regular migration;
Monopoly power exercised by recruitment agencies is addressed in cooperation with ILO and GoN;
Migration services accessible at provincial level;
No market distortions due to Government regulations in Nepal or destination countries;
Migrants make rational choices regarding migration options and productive investment;
Migrant income sufficient to allow savings and productive investments;

Figure 4. Skills component Theory of Change

End of Programme (final) Outcomes — *Level 4. Results*

Beneficiaries are gainfully employed (all beneficiaries)

Business productivity increases (for already-employed/upskilling beneficiaries)

Beneficiary income increases (for pre-employment beneficiaries)

End of Component Outcomes

Employer & sector skills gaps filled

Increased livelihood opportunities

Intermediate Outcomes — *Level 3. Behaviour*

Beneficiaries apply targeted skills in their work / workplace

Pre-employment beneficiaries gain employment

Employed beneficiaries remain in their jobs

Beneficiaries apply targeted skills in their work / workplace

Pre-employment beneficiaries gain employment

Employed beneficiaries remain in their jobs

Beneficiaries apply targeted skills in their income generating activities

Beneficiaries commence / join income generating activities (formal, contract, informal)

Beneficiaries apply targeted skills in their work / workplace

Pre-employment beneficiaries gain employment

Employed beneficiaries remain in their jobs

Immediate Outcomes — *Level 2. Learning*

Beneficiaries demonstrate increased knowledge and competency in targeted skills

Beneficiaries demonstrate increased knowledge and competency in targeted skills

Beneficiaries demonstrate increased knowledge and competency in targeted areas/sectors

Beneficiaries demonstrate increased knowledge and competency in targeted skills

Level 1. Reaction

Beneficiaries feel that the training was a useful

Beneficiaries identify where they have specific skill gaps

Beneficiaries feel that the training was useful

Beneficiaries feel that the training was useful

Beneficiaries feel that the training was a useful

Activities — *Kirkpatrick levels*

Model 1: Employer sponsor/ own training provider (Affiliated to national or international institution)

Model 2: Apprenticeship/industry trainee programme (fully Employer led)

Model 3: In-house training with internal and/or external certification (National)

Model 4: In-house training With internal and/or external certificate (International)

Window 1: Employer/Industry led Training Models

Model 5: Skills Assessment (L1/2/3) & certification/ Recognition of Prior Learning (RPL)

Model 6: Institution based with on-the-job component

Window 2: Provider Led Training Models

Model 7: I/NGO livelihood training programme

Model 8: Civil society associations & community based organisations initiated skills based training for PwDs

Window 3: Training models specifically for GESI (including PwD)

Partner-led approach*

Window 4: Open Window

* Projects that are not covered by other models and align with investment decision-making criteria and DFID's principle of "Leave No-one Behind"

ASSUMPTIONS: Private sector want or are able to invest in Challenge Fund; Training models are well delivered and meet participant learning styles; Learners want to learn and want/motivated to apply skills; Employers and workplaces support and enable the application of skills; Pre-employment learners find employment (full time or contract) or commence income generating activities; Post-employment learners remain in their jobs; Industry certificates are recognised by other employers

Figure 5. Migration component Theory of Change

End of Programme (final) Outcomes	Annual income from migration net of costs increases by 20% on average — Increased savings and/or investment of remittances
End of Component Outcomes	Migrants spend less on migration and associated costs · Migrants increase their income · Returned migrants apply skills acquired abroad in Nepal · Migrant households increase their savings · Migrant households increase productive investments

ASSUMPTIONS:

Private sector and others want or are able to invest in Challenge Fund

Reduced migration cost increases propensity to invest

Savings increases with recurrent migration

Migrants make rational choices on migration

With awareness and availability of financial products, migrants will participate in productive investment

No market distortions due to Government regulations in Nepal or destination countries

Monopoly power exercised by recruitment agencies is addressed in cooperation with ILO and GoN

Intermediate Outcomes

Migrants workers acquire higher skilled and higher paid jobs

Migrants undertake safe, orderly and regular migration

Migrant households commence or expand existing businesses

Migrant households save and invest remittances

Migrants access migration related products that reduce cost of migration

Migrants receive skills for relevant jobs

Migrants make informed decisions on migration (recruitment agencies and destinations)

Migrants and their households make informed decisions savings and investment of remittances

Migrant households access savings schemes and insurance products

Migrant households have access to credit

Migrant households, women and DAGs, better understand savings and investments

Immediate Outcomes

BFIs and MTOs offer loans, remittance and other products relevant to migration

Fair recruitment agencies provide training opportunities in specific skills

Migrants and their households are offered counselling support enabled through the use of innovative platforms/applications

BFIs make savings schemes and insurance products more accessible to migrant households

BFIs and MFIs make microfinance loans more accessible to migrant households

Organisations deliver tailored financial literacy to migrant households, women and DAGs

Activities

Model 9: Financial products for lowering cost of migration

Model 10: Migrant skilling

Model 11: Access to factual information (innovative platforms/ technology)

Model 12 : Financial products for savings and investment

Model 13: Financial literacy

Partner-led approach*

Window 5: Cost of Migration and Ethical Recruitment

Window 6: Savings and Investment

Window 7: Open Window

* Projects that are not covered by other models and align with investment decision-making criteria and DFID's principle of "Leave No-one Behind"

3.1 Goals

SEP's **Impact Statement** is "*More productive and equitable vocational skills and migration systems improving the livelihoods of poor Nepalis*", and the **Outcome Statement** is "*Young people, especially women and disadvantaged groups gainfully employed with higher wages and improved working conditions*".[12]

Essentially, the project is to contribute to the following three areas of Impact identified in DFID Nepal's SEP ToC:

1. **Job-rich transformational growth:** it will contribute to an increase in the share of GDP by 2030 in key sectors for structural transformation (manufacturing, high value services such as tourism and ICT, commercial agriculture and hydropower) by making these sectors more competitive; particularly for export through filling skills gaps. As part of this, the project will support longer term growth and formal sector employment in those sectors which have higher wages and improved working conditions. This will be through the Skills System Strengthening, Innovation and Delivery, and Employment and Labour Market Policy Support Components.

2. **Holding pattern growth:** the majority of Nepalis will remain dependent on the informal sector and migration for the immediate future, so the project will also contribute to increasing jobs, productivity and incomes in sectors important for inclusive employment (non-export sectors) and for migrant work. This is through the Skills System Strengthening, Innovation and Delivery Component, the Migration for Development Component supporting migrant workers and the Housing Reconstruction component.

3. **Leave no one behind:** youth are expected to be a major beneficiary of the programme and their specific targeting will be developed during the inception phase[13]. The project will support women, persons with disabilities and other disadvantaged groups to access employment at home and abroad as these groups, on the whole, stand to benefit more from skills interventions. Adequate targeting of women and disadvantaged groups will be required in both the sectors for structural transformation as well as holding pattern growth/sectors for inclusive employment. Barriers to women's access to training, higher skilled jobs in growth sectors, and non-traditional occupations will need to be analysed and addressed in close coordination with DFID Nepal's Sabaala programme.

Other disadvantaged groups in focus will be those who lack literacy and numeracy from falling out of the formal education system before Grade 8, persons with disabilities, those from disadvantaged ethnic and caste groups and the extreme poor (see GESI Manual for more detail). Support to these groups will be mainstreamed across all components and where necessary through targeted interventions.

3.2 Target beneficiary numbers

SEP needs to reach at least 90,000 (45,000 from the Skills component and 45,000 from the Migration component). At least 50% of beneficiaries should be women for the skills component and 33% women for the migration component. There will be a target of at least 40% from disadvantaged groups across all components. Within the disadvantaged group targeted beneficiaries, a target of 500 people with disabilities (PwDs) has been set for formal employment in the skills component.

The skills component needs to ensure that 45,000 beneficiaries are gainfully employed, and that:

- Beneficiary income has increased by 20% on average, for pre-employment beneficiaries, or
- Business productivity has increased by 20%, on average, for already-employed beneficiaries.

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[12] Noting that the wording and order of the statements would ideally be modified, as '*productive and equitable vocational skills and migration systems*' should be the precondition to '*young people, especially women and disadvantaged groups gainfully employed with higher wages and improved working conditions*', thereby '*improving the livelihoods of poor Nepalis*'.

[13] Being mindful of displacement, i.e. the employment gains are not at the cost of existing and/or older workers.

The migration component needs to ensure that 45,000 beneficiaries have greater impact from the opportunity to migrate, and that

- Beneficiary annual income from migrating net of costs increases by 20% on average (either from increased income or lower costs), and
- Increased saving and/or investment of remittances (targets to be confirmed).

3.3 Skills component ToC narrative

The skills component has four EOPOs:

- **Nepal skills system is strengthened** – this reflects the piloting and scaling/replication of effective demand-driven models, and the lessons learned, and knowledge communicated to GoN and industry sectors and private enterprise, along with commencing implementation of SEP-developed industry roadmaps, and technical assistance to Federal/Provinces as requested.
- **Beneficiaries are gainfully employed (45,000)**– this refers to beneficiaries being in formal, contract or self-employment/income generation, with formal employment income equal of above the minimum requirement mandated by GoN, and non-formal employment income being above the poverty line
- **Business productivity increases by 20% on average** (for already-employed beneficiaries)- participating businesses seeking to upskill workers (beneficiaries) will need to set a productivity baseline valid to their context, that will be measured at the end of programme. Section 5.3 'Indicators and Targets' discusses productivity in greater detail.
- **Beneficiary income increases by 20% on average** (for pre-employment beneficiaries) – this refers to income from both formal and non-formal employment and income-generating activities.

These outcomes will be achieved through two main pathways- a Challenge Fund (CF) pathway and a technical assistance pathway that links back to the CF for skills.

Skills technical assistance pathway

SEP will commence implementing industry road maps for priority sectors (developed in Inception Phase), through training projects funded through the Challenge Fund (see below). As part of implementing industry road maps, SEP will provide funding for technical assistance to Federal/selected Provinces to prioritise their needs for economic development/transformation (Influencing activity).

This technical assistance will support Federal/Provinces to develop sector skills strategies (Immediate outcome), for example, the development of light manufacturing, tourism, or hydropower. Out of the sector skills strategies, Federal/Provincial government will seek to invest in State-led training (out of SEP scope, marked with a dashed line in Figure 3), or enter into Public-Private partnerships (PPPs) to provide skills training that meet province-specific sector skills needs (Intermediate outcome).

These partnerships will be able to apply and received CF funding should they meet the investment-decision making criteria. This will contribute to strengthening the Nepal skills system (EOPO).

Skills Challenge Fund pathway

SEP will run a Skills Challenge Fund to partner with the private sector, and other key stakeholders as relevant, for co-investment in demand-driven training within identified funding windows (influencing activity).

The CF will use an evidence-driven innovation approach to support partners to pilot interventions, through three windows and eight training models[14], and a fourth open window, that fulfil investment decision-making criteria

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[14] The windows group similar models together (i.e. employer led, provider led, GESI-focus); models refer to

(immediate outcome). It is expected that not all pilots will be effective, and some may need to be dropped, others may need to be adapted, and others will be demonstrated as effective, ready for scaling or replication.

Effective models will be scaled or replicated, with sustainable funding and management (intermediate outcome), and lessons on what works and what does not will be communicated to GoN and industry and private enterprise, thereby contributing to strengthening the Nepal skills system (EOPO).

Through the piloting of training models across the five key sectors (influencing activity), already employed workers will apply the skills they gained in their roles and skilled-up unemployed workers will become employed in jobs, thereby filling employer and sector skills gaps (intermediate outcome).

Training models focused on innovative livelihoods training linked to employment and enterprise-creation will lead to women, DAGs and PwDs commencing or joining sustainable income generating activities (intermediate outcome).

These intermediate outcomes will contribute to either gainful employment, increased business productivity, or increased income (see Figure 6).

Figure 6. Beneficiary journey map through skills component
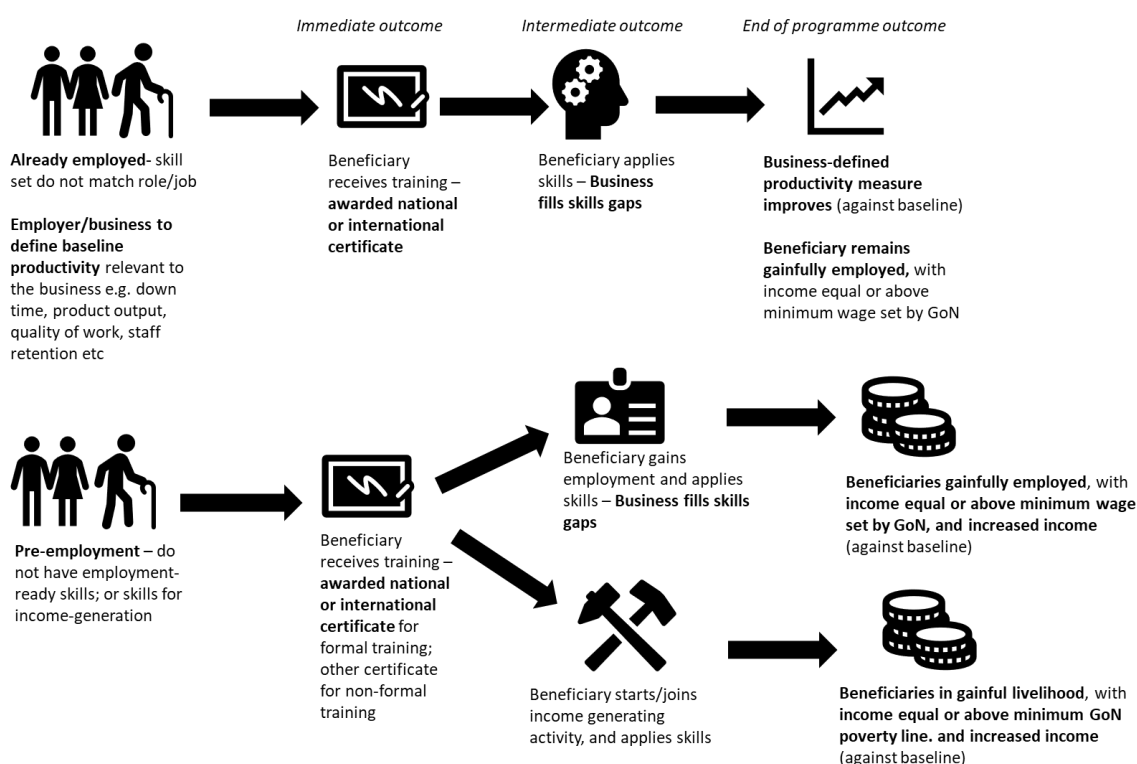
3.4 Migration component ToC narrative

The migration component has two EOPOs:

- Increased income from migration net of costs, with a DFID target of 20% on average

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training delivery approaches. The windows and models aim to meet SEP's business-focused, beneficiary focused and poverty and GESI-focused outcomes.

- Increased savings and/or investment of remittances – referring to a greater portion of remittances being channelled into savings schemes/accounts or invested into productive investments (e.g. existing enterprises or commencing a business).

These outcomes will be achieved through the Migration Challenge Fund, that will provide cofounding through two windows, associated with five models, and a third open window (influencing activities).

This will lead in one window (cost of migration and ethical recruitment) to pilots bringing new financial products and services to reduce the cost of migration and increase savings, migrants and households making informed decisions on migration and productive use of remittances, and skilling to improve income through migration (immediate outcomes).

This will in turn lead to migrants having access to loans, remittance and other products relevant to reducing the cost of migration which will reduce migrant costs. Migrants will access skills training, leading to increased migrant income, and migrants will access information on safe, orderly, and regular migration (intermediate outcomes). These intermediate outcomes will contribute to increased annual income from migration net of costs (EOPO).

Another window (savings and investment) will lead to pilots offering new financial products for savings and investments, and financial literacy skills (immediate outcomes).

This will lead to migrant households accessing savings and credit, which combined with migrant households having increased financial literacy skills, will lead to migrant households increasing savings and productive use of investments (intermediate outcomes). This will contribute to increased savings and/or investment of remittances (EOPO).

3.5   SEP ToC assumptions

The programme-level ToC's assumptions refer the external factors that need to hold true for the causal links between influencing activities and EOPOs to be achieved. These are presented below under the two components. SEP programme risks, as identified in the programme's risk matrix, are elaborated in section 11 Risk Management.

Table 5. SEP Theory of Change assumptions

Skills	Migration
Private sector will engage and co-invest in the Challenge Fund- the modality requires the private sector and other stakeholders to co-invest in interventions.	**Cooperation with ILO that facilitate safe, orderly and regular migration leads to GoN regulations** - SEP migration component is not influencing policy and requires ongoing cooperation by external partners and GoN.
Private sector will co-invest with Provinces in Public Private Partnerships – this will allow Provinces, through private-sector led partnerships, to access the skills CF.	**Monopoly power exercised by recruitment agencies is addressed in cooperation with ILO and GoN** - similar to the above, SEP is not influencing regulations and requires systemic barriers to be addressed by GoN.
Post-employment learners remain in their workplace- stakeholder consultation has identified retention (loss from poaching or migration) is a key issue leading to skills gaps.	**Migration services accessible at provincial level** – Migration services are currently centred on Kathmandu. Reducing the cost of migration includes more equitable access to recruitment services.

Skills	Migration
Pre-employment leaders find employment (full time or contract) or commence income-generating activities – gainful employment requires there to be job opportunities. Nepal has a reported low unemployment rate and a relatively high underemployment rate.	**No market distortions due to Government regulations in Nepal or destination countries** – GoN and destination countries have in the past but temporary bans on migrants. Such regulations can negatively impact SEP meeting its migration targets.
Economic conditions do not change – achieving skills outcomes requires the current economic conditions to remain stable or improve.	**Migrants make rational choices regarding migration options** – awareness and knowledge have been demonstrated to be poor predictors of behavioural intention. Information from a source considered 'trustworthy' can improve the behavioural intention.
Political and regulatory setting remains stable - achieving employment outcomes requires the current economic conditions to remain stable or improve.	**Migrant income sufficient to allow savings and productive investments** – Research from Nepal indicates that recurrent migrants tend to be more able to save and invest than first time migrants.
Skills training leads to increased personal productivity and increased income – the evidence base indicates mixed results from skills training worldwide (see section 1.3). It is expected that the CF modality, requiring co-investment, will increase the likelihood that productivity and income outcomes will be achieved.	

4. Scope of the MELF

4.1 Purpose
The purpose of the MELF is threefold:

1. To facilitate **learning and improvement** to support evidence based and adaptive decision-making, particularly decisions on prototyping and piloting, regarding changes that can be made to either improve cost effectiveness (based on international or local evidence) or vary the design to test what works best for employment outcomes;
2. To **develop knowledge** through rigorous evidence of which training and migration interventions within models are most market driven, sustainable, cost-effective and have the greatest impact towards outcomes; and
3. For **accountability** to DFID, GoN and other stakeholders.

The MELF will provide the required information to meet the OECD DAC and DFID evaluation criteria, such as effectiveness, efficiency, impact, relevance, appropriateness, sustainability, value for money, and gender inclusiveness, and will incorporate components from the DCED Standard for Measuring Results in Challenge Funds.

Table 6. MELF purpose

Purpose	Resourcing and effort	Comment
Learning and improving	50%	With a strong emphasis on prototyping and piloting interventions, developing new cost-effective models *etc*.; the emphasis is predominantly on improving through learning and adaptation.
Accountability	30%	Accountability for SEP is crucial, particularly when moving from pilot to scale. This requires proving the attribution and contribution of interventions to the outcomes. Moreover, accountability on

		efficient resource allocation is required by DFID standards.
Knowledge generation	20%	As an innovative project (e.g. using methods such as the CF model in skills and migration; refined approach to MEL integrated within the CF modality, etc.), documenting the knowledge and promoting it outside the direct benefit of the programme is important.

To meet this purpose, the MEL system will:

- Provide rapid feedback loops to support prototyping and piloting new ideas to determine the most cost-effective and impactful interventions representing models[15] to be scaled up;
- Establish strong indicators and robust measurement tools to evaluate interventions at different stages, to support a learn fast/fail fast approach, and scale what works;
- Measure, through a robust design (mixed methods, including experimental or quasi-experimental as appropriate to context), the extent to which impacts are realised/achieved;
- Provide real time data that will allow the programme team, in collaboration with DFID and the GoN, to make necessary adjustments in order to optimize programme effectiveness;
- Establish a strong monitoring system that allows us to track funds spent to benefit achieved and to reallocate funds where they can most be productively used;
- Enable the teams to monitor and manage risk effectively;
- Ensure that the principles of the programme, including gender and disadvantaged groups, are adequately incorporated in all aspects of the programme;
- Generate knowledge that can inform future DFID programme design and GoN skills and migration policy; and
- Engage and support the design of an appropriate and accessible Management Information System (MIS).

4.2 Audience

The audience for the MEL are divided into the following:

- **Primary**: Those stakeholders who are part of decision-making processes for key changes related to programme implementation/strategy, as well as those make funding decisions based on the information provided.
- **Secondary**: Those stakeholders who SEP report the MEL data to but are not responsible for decision-making or influencing the design of the MEL framework.
- **Tertiary**: Those who have an interest in the work of SEP and seek to receive refined learning about what works, and communication materials.

Table 7. MELF audience

Audience	Who	Information needs
Primary	SEP implementation team	To inform decision-making and resource allocations, information on the following is required: • Programme's effectiveness • Programme's impact • Value for money and the cost-effective of interventions

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[15] At least 5 models piloted, and 3 scaled up, for skills component; and four models scaled up for migration component

		• Sustainability of the interventions • Appropriateness of the mix of interventions • Appropriateness of resourcing based on programme effectiveness and the mix of interventions
	SEP senior management and partners	To inform decision-making and resource allocations, information on the following is required: • Programme's relevance to the Government needs, extent to which work is valued by the government • Programme's effectiveness • Programme's impact • Programme's incorporation of gender and inclusiveness • Value for money and the cost-effective of interventions and models • Sustainability of the programmes interventions • Appropriateness of resourcing based on programme effectiveness and the mix of interventions
	DFID	For accountability purposes, completing annual partner performance reviews, and to inform funding decisions, information on the following is required: • Programme's relevance to the Government needs, extent to which work is valued by the government • Programmes relevance to the UK aid portfolio • Programme's effectiveness • Programme's impact • Programme's incorporation of gender and inclusiveness • Value for money and the cost-effective of models • Sustainability of the programmes interventions • Knowledge and lessons learned that can be shared with other programmes and DFID HQ (research and evidence and policy teams)
	Government of Nepal	For accountability purposes and to understand the performance of the programme: • Programme's effectiveness • Programme's impact and results • Value for money and the cost-effective of models • Sustainability of the programmes interventions • Sufficiency of GoN engagement
Secondary	Steering committee	For accountability purposes, information on the following is required: • Programme's relevance to the Government needs • Value for money and the cost-effective of interventions and models • Appropriateness of resourcing based on programme effectiveness and the mix of interventions
	Global practice units of SEP and partners	To inform decision-making and to learn about innovative and effective approaches, information on the following is required: • Programme's effectiveness • Programme's impact

		• Value for money and the cost-effective of interventions and models • Knowledge and lessons learned that can be shared with other programmes
Tertiary	Other development partners	To understand the work undertaken by the Poverty and Equity GP to date, information on the following is required: • Activities undertaken and modality • Programme's impact • Value for money and the cost-effective of modalities • Knowledge and lessons learned that can be shared with other programmes
	General public	To understand more about the programme and its operations. • Activities undertaken • Programme's impact

4.3 Boundaries and timeframes

The boundaries of the MELF are defined by the limits of the programme. Specifically, the MELF includes all CF funded project, components (skills and migration) and complementary activities (e.g. policy and institutional support to GoN) of the SEP programme over the four years (2018-22). The MELF incorporates three levels:

1. **Sphere of control**, determined by Challenge Fund projects, where attribution is assessed.
2. **Sphere of influence**, determined at immediate and intermediate outcome level, where contribution to skills and migration outcomes is assessed, but noting that other factors (meso and macro) have influence over outcomes.
3. **Sphere of interest**, determined at the EOPO and impact level, where contribution to EOPOs is assessed, but noting that other factors (meso and macro), as well as other donor and GoN programmes, may have influence over outcomes.

The MELF includes all of the Theory of Change up to the Sphere of Interest. Beyond that (intermediate and final impacts), information may be collected through DFID SEP's logframe.

The timeframe does not allow for longitudinal evaluations (impact criteria) to occur outside the time of the programme. Specifically, any impacts that may occur after the end of SEP will not be captured by this MELF. Follow up ex-post evaluations may be considered at a later stage.

4.4 MEL Principles

The MEL principles are specific to the MEL system, in addition to the broader principles of the SEP programme. These have been drawn upon for the development of the MELF, and will continue to cut across the implementation of the MEL over the timeframe of SEP.

- **Learn fast, fail fast, fail cheap**: The MEL system will support rapid learning and feedback loops to facilitate prototyping and piloting of different interventions. The intention is that a lot of interventions will be considered, and the objective will be to learn quickly about what works well and what does not. Moreover, failure is embedded in the programme, so failing fast and failing cheap is key to success.
- **Lean and efficient**: The MEL system will strive to collect the most useful evidence to support the programme, while ensuring sufficient rigour in cost-effective ways. To improve the economy, data collection methods will be consolidated to reduce data collection burden on trainees, workers, employers and migrants, and ensure resource-efficiency.

- **Good Practice:** The MEL system will be aligned with DFID Evaluation Policy & International Standards. Moreover, we will strive to evolve the practice of MEL particularly related to CF to set new benchmarks for future programmes, including conditions related DFID's policy on subsidising the private sector. We will be open to learning and sharing good practice.
- **Inclusiveness**: Focusing on women, disadvantaged groups and persons with disabilities throughout the MEL. The MEL system will engage and involve key stakeholders in the design, data collection, analysis and reflection – moving beyond counting numbers of those involved in the programme.
- **Evidence based utilisation**: The MEL system will be utilisation focused, emphasising the use of evidence in decision making. As SEP goes through its phases and itself adapts, the MEL system will also be adaptable and flexible, able to rapidly respond to changes in context and information requirements.

5. Key Evaluation Questions and Indicators

5.1 Evaluation criteria

The criteria considered guiding the Key Evaluation Questions (KEQs) are based on an extension of the OECD DAC Criteria[16]:

- **Relevance**: Are we doing the right thing? How relevant is SEP to local, provincial and national needs and priorities?
- **Effectiveness**: Are the objectives of the development interventions being achieved? To what extent has SEP achieved its outcomes (Comparison: targets vs results)?
- **Value for money**: SEP has an integrated approach to achieving Value for Money (VfM) based on DFID's 4Es: Economy (Cost per input), Efficiency (Costs per output), Effectiveness (Costs per outcome), Equity (Cost of reaching beneficiaries regardless of their location and socio-economic status). Deliverable 2.6 focuses on VfM in the CF.
- **Impact**: Does the development intervention contribute to reaching higher level development objectives (preferably, overall objective)? What is the impact or effect of the intervention in proportion to the overall situation of the target group or those effected?
- **Sustainability:** Are the positive effects or impacts sustainable? How is the sustainability or permanence of the intervention and its effects to be assessed?
- **Inclusion** (specific for SEP): To what extent are women, disadvantaged groups, and persons with disabilities included in the design, implementation and impacts/benefits of the intervention?

In addition to the OECD DAC Criteria, the M4P approach includes The DCED Standard for monitoring and measuring Challenge Fund results (see Table 9 below).

Table 8. How SEP MELF aligns with DCED Standard

DCED Standard	Our approach
Articulating the results chain	Met through ToCs
Defining indicators of change	Met through participatory process to develop output and outcome indicators linked to ToC, using existing indicators, best-practice (e.g. IRIS) and contextual indicators
Measuring changes in indicators	Met through a fit-for-purpose MEL plan with clear responsibilities for implementing partners and programme team
Estimating attributable changes	Met through assessing additionality of Challenge Fund support, and project-level attribution

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[16] https://www.oecd.org/development/evaluation/dcdndep/47069197.pdf

Capturing wider changes in the system or market	Met through collection of situational indicators, as well as specific evaluation tools such as SIPSI[17]
Tracking programme costs	Met through designing financial tracking systems
Reporting results	Met through development of tailored and simple reporting templates and user-friendly MIS
Managing the system for results measurement	Met through the development and implementation of an Evaluation Capacity Building (ECB) strategy and MIS

5.2 Key Evaluation Questions

The following KEQs and sub-questions have been articulated for the MELF, which will guide progress report and independent evaluations.

These were developed with a utilisation-focused approach – meaning they are framed to express the key aspects that the MELF is intended to address. These questions weave together elements of the DAC criteria and DCED Standards, and the Theory of Change, and strategic questions of importance to DFID.

1. To what extent has SEP contributed to a more productive and equitable vocational skills and migration systems improving the livelihoods of poor Nepali? [Impact]
2. To what extent has SEP contributed to gainful employment, increased beneficiary income and increased business productivity? [Relevance, Effectiveness]
3. To what extent has SEP contributed to filling employer and sector skills gaps? [Relevance, Effectiveness]
4. To what extent has SEP contributed to improved migration and development? [Relevance, Effectiveness]
5. To what extent has SEP drawn on global evidence and contributed to the Nepal specific evidence base? (Relevance]
6. To what extent has SEP, using the Challenge Fund modality, demonstrated value for money? [VfM]
7. To what extent have gender, disadvantaged groups, and persons with disabilities been included in programme outcomes? [Inclusion]
8. To what extent are the interventions across skills and migration likely to be sustainable? [Sustainability]

The table below (see Table 9) outlines the KEQs alongside corresponding sub-questions and key indicators, information sources and evaluation methods where relevant. In this framework, the 'key indicators' will not always be sufficient to address the sub-questions fully, and in many cases other qualitative and quantitative methods and analysis will be applied. The key indicators provide one part of the answer to the sub-questions and enable quantitative targets to be identified where relevant.

Information to answer effectiveness and impact will come from the component MELPs, which in turn will be informed from partner CF projects. The component MELPs will specify the methodology and data collection tools/templates that will be used by SEP and partners to collect data that will be aggregated and inform the overall programme results. The MELPs will also include a set of technical notes for each indicator, specifying the exact scope, how they will be disaggregated, along with the targets and methodology for developing the baseline.

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[17] Significant Instances of Policy and Systems Influence

Table 9. Key evaluation question and data collection matrix

KEQ	Sub-question	Indicators	Source of information / evaluation method	Timeframe	Responsibility
KEQ1. To what extent has SEP contributed to a more productive and equitable vocational skills and migration systems improving the livelihoods of poor Nepali?	1.1 To what extent has SEP addressed market failures?	Market failures addressed	Document review Interviews Partner reports Stakeholder influence Reflection workshops	End of programme	SEP MEL
	1.2 To what extent have SEP industry roadmaps been implemented?	Industry roadmap recommendations actioned (and extent of actioning)	Partner reports and feedback Reflection workshops	End of programme	SEP MEL
	1.3 What training interventions (skills and migration) and models have been shown to be effective and why?	Number and type of interventions, and models they sit within, piloted and scaled up Number of SEP models replicated external to SEP funding (private or public sectors)	Skills component reporting Reflection workshops	Annually	SEP- CF & MEL
	1.4 How has SEP influenced skills training in Nepal, at the Federal, Provincial and/or Local level?	Instances of policy or systems improvement from SEP Number of public-private partnerships entered in by targeted Provinces and Local level Number of sector skills strategies in targeted provinces Number of SEP models replicated external to SEP funding (public sector)	Significant instances of policy and systems influence Episode studies Skills component reporting Reflection workshops	Annually	SEP MEL
	1.5 How has SEP influenced skills training in the private sector?	Instances of increased investment in workforce skilling as a result of SEP Number of SEP models replicated external to SEP funding (private sector) Number of new occupational standards created or new curricula shared with NVQS/CTVET	Significant instances of policy and systems influence Episode studies Reflection workshops	Annually	SEP MEL

KEQ	Sub-question	Indicators	Source of information / evaluation method	Timeframe	Responsibility
	1.6 How has SEP reduced the cost of migration and made migration more accessible?	Number of reduced cost financial products available Average savings Reach of products (take-up, by province) Coverage (geographical) of products	Partner reports	Annually	SEP- CF & MEL
KEQ2. 2. To what extent has SEP contributed to gainful employment, increased beneficiary income and increased business productivity?	2.1 To what extent has SEP contributed to gainful employment?	Number of beneficiaries (disaggregated) entering employment (full time, contract) at or above min. wage Number of already employed beneficiaries remaining in their workplace, moving into higher income role within same employer, or moving to new employer at or above min. wage Number of beneficiaries (disaggregated) commencing or joining income-generating activity with 20% increase in income (and able to meet households' basic needs)	Skills component reporting Tracer surveys	Annually	CF Partners SEP MEL
	2.2 To what extent has SEP contributed to increased (20% target) business productivity?	Number and % of businesses reporting increased productivity from skilling already-employed workers, and extent of increase (productivity indicator to be set by each company relevant to their context)	Skills component reporting Tracer surveys	Annually	CF Partners SEP MEL
	2.3 To what extent has SEP contributed to increased (20% target) income?	Average beneficiary income before training and 12 months after completion Number & % of beneficiaries reporting increased income	Skills component reporting Tracer surveys	Annually	CF Partners SEP MEL
KEQ3. To what extent has SEP contributed to filling employer and sector skills gaps?	3.1 How many beneficiaries have successfully completed skills training?	Number and percentage of beneficiaries successfully completing skills training (disaggregated)	Skills component reporting	Quarterly	CF Partners SEP MEL

KEQ	Sub-question	Indicators	Source of information / evaluation method	Timeframe	Responsibility
	3.2 To what extent are participating employers and sectors reporting skills gaps being filled, compared to before SEP?	Number of participant businesses and associations (investment partners) reporting skills gaps filled	Project reports Interviews Focus Group Discussions Back to office reports	Quarterly	CF Partners SEP MEL
	3.3 What unintended outcomes have occurred, both positive and negative (e.g. displacement within skills and migration)?	NA	Project reports- migration Interviews Focus Group Discussions Back to office reports	Annually	SEP MEL
KEQ4. To what extent has SEP contributed to improved migration and development?	4.1 To what extent has SEP contributed to increased migrant annual income net of costs (20% target)?	Number and percentage of beneficiaries reporting increased income net of costs, and extent of increase Number of financial products reducing cost of migration, and percentage reduction, and total savings (NPR) (e.g. loans, remittances, insurance) Take-up of financial products reducing cost of migration (disaggregated) Number and percentage of migrants reporting increased income as a result of skills training, and/or informed decision-making	Project reports-migration Tracer surveys	Annually	SEP MEL
	4.2 To what extent has SEP contributed to increased savings and/or investment of remittances?	Number and percentage of migrant households with increased savings, and extent (%) of increase Number and percentage of migrant households investing remittances, and type of investment (own enterprise, other enterprise etc.) Number of financial products for savings and investment, (e.g. savings schemes, micro-credit) Take-up of financial products for savings and investments (disaggregated)	Tracer surveys Sentinel households	Annually	SEP MEL

KEQ	Sub-question	Indicators	Source of information / evaluation method	Timeframe	Responsibility
KEQ5. To what extent has SEP drawn on global evidence and contributed to the Nepal specific evidence base?	5.1 What global evidence did SEP draw on to inform the detailed project design?	N/A	Inception deliverables	End of programme	SEP MEL
	5.2 How has stakeholder consultation (Federal, Provincial, private sector, beneficiaries etc.) informed the project design?	# of consultations and stakeholders, by sector etc. and how information was used	Inception deliverables	End of programme	SEP MEL
	5.3 To what extent is the Challenge Fund an appropriate modality to meet the desired outcomes, compared to other modalities?	Number of applications received, by sector, window, model Number and percentage of applications funded Partner satisfaction with Challenge Fund Results from ENNSURE and Dakchyata	Challenge Fund reporting Focus Group Discussions Interviews Document review	Annually	SEP- CF & MEL
	5.4 To what extent has the evidence to innovation to pilot and scale approach supported projects to achieve their outcomes?	Partner satisfaction with prototyping and other accelerator support Partners investing from pilot to scale DFID & partner satisfaction with investment decision making criteria and performance rubrics as meads for selection	After action reviews Interviews	Annually	SEP- CF & MEL
	5.5 How, and to whom, have SEP lessons and knowledge been shared with?	Number of external communication pieces and audience	Communication plan	Annually	SEP MEL

KEQ	Sub-question	Indicators	Source of information / evaluation method	Timeframe	Responsibility
KEQ6. To what extent has SEP, using the Challenge Fund modality, demonstrated value for money?	6.1 To what extent has SEP been cost-effective?	*Cost per outcome* - see B2.6 Cost to SEP per intervention. Cost to partner per intervention. Quantity, Wages of individuals increased gainful employment Quantity, Wages pre/post of individuals with increased productivity Quantity, Wages pre/post of individuals with increased wages Ratio of cost to outcomes by different types of interventions. Challenge Fund partner satisfaction with modality outcomes	Challenge Fund reporting Partner reporting	Annually	SEP- CF & MEL
	6.2 To what extent has SEP been economical in its expending of resources?	*Cost per unit of input*- see B2.6 Programme administrative costs (overall) Staffing costs (international, national) Competitive procedures for procurements being used (tender, CF modality, etc) (Approved administrative rate is 6.87% of total budget)- see B2.6	Challenge Fund reporting Partner reporting	Annually	SEP- CF & MEL

KEQ	Sub-question	Indicators	Source of information / evaluation method	Timeframe	Responsibility
	6.3 To what extent has SEP been efficient in its use and leveraging of resources?	*Cost per unit of output* – see B2.6 Cost to SEP per intervention. Cost to partner per intervention. Leverage ratio of costs by SEP to partners. Quantity of output per intervention (output to be defined at the intervention level, and could include numbers trained, job placement, etc). Ratio of cost to output per intervention (SEP, Overall). Coordination with other development partners and programmes. Challenge Fund partner satisfaction with modality and its implementation	Challenge Fund reporting Interviews Focus Group Discussions Back to Office reports	Annually	SEP- CF & MEL
	6.4 To what extent has SEP been equitable?	Number and percentage of women beneficiaries, by component Number and percentage of DAGs, by component Number and percentage of PwDs (skills) Number and percentage of beneficiaries from Provinces 2 and 5	Challenge Fund reporting Beneficiary profiling Tracer surveys	Annually	SEP- CF & MEL
KEQ7. To what extent have gender, disadvantaged groups, and persons with disabilities been included in programme outcomes?	7.1 To what extent has SEP been inclusive?	Number and percentage of women beneficiaries, by component Number and percentage of DAGs, by component Number and percentage of PwDs (skills) Instances and extent of displacement	Challenge Fund reporting Beneficiary profiling Tracer surveys	Quarterly	CF Partners SEP MEL
	7.2 To what extent has SEP removed barriers to women, DAGs and PwDs accessing gainful employment?	Barriers to gainful employment overcome	Inception deliverables Tracer surveys Focus group discussions Stories of change	Annually	SEP MEL
	7.3 How has SEP changed the lives of women, DAGs, and PwDs?	NA	Sentinel Households Stories of change	Annually	SEP MEL

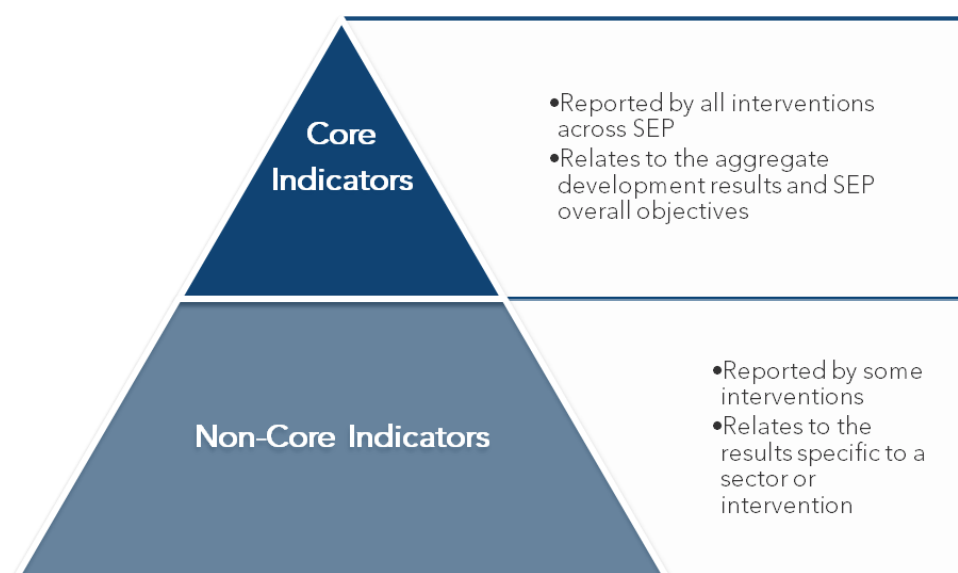| KEQ	Sub-question	Indicators	Source of information / evaluation method	Timeframe	Responsibility
KEQ8. To what extent are the interventions across skills and migration likely to be sustainable?	8.1 To what extent are Challenge Fund partners continuing their investment in skills training, in both skills and migration components?	# projects continuing without CF funding # projects likely to continue without CF funding	Project reports Interviews	End Pilot phase (18 months) End of programme	SEP- CF and MEL
	8.2 What interventions are discontinued, or likely to be discontinues, and what can be learnt from this?	# projects discontinued # projects likely to be discontinued	Project reports Interviews	End Pilot phase (18 months) End of programme	SEP- CF and MEL
	8.3 To what extent are financial products and services related to migration likely to continue?	# of financial products and services continuing without CF funding # of financial products and services likely to without CF funding	Project reports Interviews	End Pilot phase (18 months) End of programme	SEP- CF and MEL
ToC assumptions	To what extent are programme ToC assumptions holding true? To what extent are component ToC assumptions holding true?	# assumptions that have not held true and impact on programme/component	Reflection workshops	Quarterly	SEP MEL
Programme risks	To what extent have programme risks been managed?	# risks that have occurred, and impact on programme	Risk reporting	Quarterly	SEP MEL and Team Leader

5.3 Indicators and targets

Challenge Fund partners will need to report on a number of core indicators and associated targets to inform EOPOs, specifically (also see Table 10):

- 20% increased beneficiary income – this is a standard measure of NPR per month/year
- 20% increased business productivity – measured by customised productivity measure determined by partner businesses, with support from SEP MEL.
- 20% increased annual income from migration net of costs – measured in NPR per year

Other core indicators that will need to be collected will be around beneficiary profiling, to report against socio-demographic targets (e.g. youth, male/female, DAGs, PwDs, Province, employment sector).

Core indicators, which Challenge Fund projects will use, will allow results to be aggregated, compared, and reported against.   Projects will also collect on non-core indicators that may relate to a specific stratification that resonates with a single project, or few projects, but not across the entire portfolio.

Figure 7: Core and non-core indicators

Table 10. Core outcome indicators, targets and data sources

Component	Indicator & target	Data source
Skills	20% increased beneficiary income	Beneficiary enrolment survey and, where applicable, employer supplied; collected during beneficiary enrolment, and through tracer surveys from a sample of beneficiaries and/or employers 6 and 12 months following completion of training – all employees
	20% increased business productivity	Customised measures developed with partners, relating to business context, with SEP MEL support. Collected at baseline and 6 and/or 12 months following completion of training.
Migration	20% increased annual income from migration net of costs, on average	Finance service providers product and services rates vs standard products/services; tracer survey of sample of beneficiaries for income with retrospective baseline

The MELPs incorporate **lead indicators** that have been identified from the lower parts of the component ToCs (immediate and intermediate outcomes), as well as **lag indicators** that focus on effectiveness at EOPOs and impact. Monitoring will focus on progress towards outputs, immediate and intermediate outcomes indicators. These indicators will function as lead indicators, enabling SEP to determine if the programme is on track to achieve final EOPOs, and if not, provide time to change our approach. As CF projects begin (baseline), report (quarterly/annually) and end (completion), there will be evaluative information on the outcomes and impacts being generated for the components.

5.4 Productivity Meausre

In general notion Productivity is commonly defined as a ratio of a volume measure of output to a volume measure of input use. There is neither a unique purpose for, nor a single measure of, productivity. The objectives of productivity measurement dictate the indicators to be used. There are many different productivity measures. The choice between them depends on the purpose of productivity measurement and, in many instances, on the availability of data.

Productivity will be measured at the business level and will require intervention-specific and business-relevant indicators, as there is no one indicator that will fit all possible partners and projects. Productivity can be measured through a number of ways, and the CF modality means that we are unable to predict the types of partners and job roles that will be part of the skills training.

SEP MEL will work with partners to determine a relevant measure to the job roles being put forward for training. Measures may be at a business unit or team level, or whole of business depending on roles, and number of employees being trained. Examples of indicators include quality of work (e.g. breakage, lost output), down time (e.g. hours), outputs (e.g. Standard Allowable Minute (SAM) in the apparel/garment industry); workforce management (e.g. staff retention), among many other. Partners will be required to collect a baseline and commit to providing an end-of-programme measure. SEP will collect beneficiary self-assessment of their productivity which can also be used to triangulate with business measures.

Organisation for Economic Co-operation and Development (OECD) Productivity Manual provides a guide to various productivity measures for industry-level productivity indicators. It states that *single productivity measures* can be defined over intermediate inputs and *labour-capital multifactor productivity* can be evaluated on the basis of gross output. We are going to utilise the one of the 5 major productivity measure provided in the OECD Productively Manual based on our project context. The five productivity measures are: measures of labour and capital productivity, and multifactor productivity measures (MFP), either in the form of capital-labour MFP, based on a value-added concept of output, or in the form of capital-labour-energy-materials MFP (KLEMS), based on a concept of gross output.

The following are four productivity concepts that will be used based on the project situation:

- Labour productivity based on gross output: which is calculated by dividing Quantity index of gross output by Quantity index of labour input.
- Labour productivity based on value added: which is calculated by dividing Quantity index of value added by Quantity index of labour input.
- Capital-labour multifactor productivity measures (MFP), based on value added: which is calculated by dividing Quantity index of value added by Quantity index of combined labour and capital input {Quantity index of combined labour and capital input = Quantity index of (different types of) labour and capital, each weighted with its current-price share in total value added.}
- Capital productivity based on value added: which is calculated by dividing Quantity index of value added by Quantity index of capital input.

5.5 Beneficiary profiling

Beneficiary profiling is important to collect at baseline and throughout in order to track which beneficiaries enrol into projects, and progress towards outcomes. Beneficiary profiling will be done through a standard set of questions administered as part of enrolment, either by the CF partner (with MEL support) or the partner's training provider (for skills training).

Beneficiary profiling will support the disaggregation of data for analysis and reporting, against gender, DAG, PwD, province, industry sector etc.

Beneficiary and investment partner profiling will include geocoding to Province and City.

SEP financial inputs will be geocoded to investment partner Province and City of training location.

Beneficiary profiling will include the following indicators:

Skills Beneficiary Profiling	Migration Beneficiary Profiling
- Age (based on NLFS categories) - Gender - Ethnic/cultural background, religion (DAG) - Disabilities (Washington Group short set) - Occupation(s) - Employment status- including sector - Hours worked per day - Personal income/wage (baseline) & household income (if relevant) - Assets - Number of people in household - Level of education/training - Most recent training related to job - Province & City (residential)	- Age (based on NLFS categories) - Gender - Ethnic/cultural background, religion (DAG) - Occupation(s) - Level of education/training - Most recent training related to job - Personal income/wage (baseline) & household income (if relevant) - Assets - Loans and savings products - Number of people in household - Province and City (residential) - Number of times migrated - Cost of migration, loans etc (if relevant) - Migration destination(s) - Migration occupation(s) - Number of banking/finance products

5.6 Data privacy and security

Beneficiary and Challenge Fund partner privacy is critical to Louis Berger and the SEP programme. Beneficiaries will be allocated a unique identification code, and all data analysis will be de-identified. Hard copy data forms will be securely stored in a locked filing cabinet. Electronic data will be stored in a secure cloud server. Results will not be reported against individual beneficiary details, except for stories/vignettes where beneficiaries or businesses provide written consent.

SEP data collection will adhere to the DFID 'Personal Information Chapter'.[18] The EU General Data Protection Regulation (GDPR) does not apply to SEP as the programme is not collecting the personal data of EU nationals in Nepal.

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[18]   https://www.gov.uk/government/organisations/department-for-international-development/about/personal-

5.7 DFID portfolio indicators

DFID Nepal will have a portfolio-level MEL coming online in the near future. SEP will be required to include indicators that will inform the portfolio-level reporting. Annex 7 (SEP logframe) identifies how SEP currently aligns with the existing DFID SEP logframe. Any additional indicators that SEP needs to collect and report on will be included in annual SEP MELF and MELP updates.

information-charter

6. Methodology

The approach that SEP takes to monitoring and evaluation needs to provide information on progress towards SEP's outcomes, as well as the extent to which the programme is delivering value for money through the CF modality, and ensuring additionality. The approach to monitoring and evaluation is likely to shift over time in response to the changing nature of SEP, taking into consideration the modality, and especially as the programme moves from inception to pilot to scale up.

In line with good evaluation practice, for a complex program such as SEP, the MELF must allow for multiple perspectives, including perspectives from industry (skills and migration), end-beneficiaries (workers, migrants) and GoN. Drawing on multiple perspectives, contrasting and comparing these (i.e. taking a 'critical' approach to monitoring and evaluation), will ensure that the SEP evidence-base is robust and reliable.

The KEQs will be answered through both ongoing monitoring, and discrete evaluation activities. These are outlined below and will be covered in greater detail in the MELPs.

6.1 Monitoring tools

The program will adopt a mixed-method approach, drawing on a range of qualitative and quantitative methods. Monitoring methods will ensure that data is disaggregated and reported by sex, age, and inclusion (disadvantaged groups, persons with disabilities), as well as other characteristics relevant to specific components (e.g. province for skills). Monitoring is described in more detail in component MELPs.

Component monitoring will require monitoring plans to be developed for each CF projects, with indicators aligned to component MELPS to allow aggregation to the component level outcomes. The monitoring will be done on an ongoing basis focused on activities and outputs, including by the programme (where it is implementing), partners (when they are implementing), as well as monitoring of partners. A range of tools will be developed that are fit for purpose. Potential tools are outlined below, recognising some require collaboration with partners. Unless specified, all tools are relevant to both components.

Table 11. List of monitoring tools

Tool	Application to SEP
Financial tracking system	Record of planned vs actual expenditure at programme and project level, including reasons for under/overspend.
Post training feedback forms	For skills training (skills and migration component), standardised feedback forms for different training models to identify satisfaction with training, changes in knowledge, likely changes in skills etc. This will be used to gauge Level 1 (Reaction) and Level 2 (Learning) in the Kirkpatrick Model. Results will be used to review beneficiary satisfaction with training, and whether training delivery needs to be improved.
Focus Group Discussions	Undertaken with different stakeholders, such as training participants, businesses and migrants to identify needs (e.g. in the macroeconomic research) as well as changes (knowledge, skills and practice), understand what is working and what needs to be improved.
Sentinel households	For migration component, to understand use of remittances, progress in savings and investment and barriers etc. The approach will be to monitor a sample of households in greater detail and on a more regular basis than the evaluation tools. This may be complemented with vignettes of individual or household archetypes.
Stakeholder influence log	To track potential level of SEP influence in policy and systems change. An influence log works by creating an email address through which team members send instances of influence. This could be after a meeting, an observation of an interesting media article or speech referencing a

	specific project. These instances are then filed in an influence log database (often excel sheets).
Back to office reports	Standardised report that provides a summary of a monitoring mission, training, or workshop, including details of the trip/event, observed outcomes and any follow-up actions. This will be filled in by SEP team when visiting the field / partners.
Observation feedback forms	Standardised forms to obtain business / training institution / migration agencies observations on changes with workers, migrants etc. E.g. capacity building rubrics
Learning and reflection workshops	Participatory process that draws on multiple perspectives to make sense of M&E data and build consensus among staff and key stakeholders on corrective actions. This will be undertaken on a semi-annual basis to bring together the entire SEP team as well as DFID to reflect, assess the findings, and suggest changes.

As part of the MELP, monitoring tools will be developed for use by CF projects. A core required list for projects will be identified to ensure that aggregate results for models/components/programme can be reported using consistent methodologies; and then optional tools for use that are fit for purpose. Each tool will be developed with a set of guidance notes as part of the MELP / CF manual.

6.2 Partner Reports
As part of the project level monitoring, the following reports will be provided by CF partners and imputed into the MIS (see Challenge Fund Manual):

- Inception report, with baseline measures for firm; with training provider or partner to provide baseline beneficiary profiling
- Quarterly narrative reports against the project implementation, with progress reports quantifying beneficiaries and benefits (as prescribed in the approved application); and quarterly expenditure reporting against disbursements and budgets
- Annual reports of the same above
- Annual audit
- Project closure, with productivity end-line; at end of pilot and scale-up stage (if relevant).

6.3 Evaluation Tools

Formative and developmental evaluation approaches will be used in the Pilot phase, and summative evaluation in the Scale-up phase. **Formative evaluation**[19] approaches aim to help refine and improve established pilot projects, and **developmental evaluation**[20] approaches to explore newer project ideas, and initiatives to strengthen systems. These approaches will support a learn fast/fail fast approach. The MELF will assess the pilot projects and identify which should be scaled up and which should be discontinued.

A **summative evaluation** approach will be used at the end of the scale-up phase to assess the extent to which strategic objectives were met, and the end of program outcomes of the programme. This will include aggregating the measurements of change against baselines for all the projects.

Summative evaluations will be informed by the monitoring data, as well as discrete evaluation activities, component or programme-wide reviews. These will be strategic in nature, contributing to both telling the story of the programme's performance as well as informing management decisions. A mixed methods approach to evaluation will be used, to be finalized during the design process.

Some of the expected evaluation methods are inter-related, in that they are draw upon similar methodological approaches. Examples include:

Table 12. List of evaluation tools

Tool	Application to SEP
After action review	A rapid approach to reviewing an intervention, whereby key stakeholders within SEP develop a chronology of events, reflect on what worked well / poorly, and how to improve. Provides a rapid learning approach to be used ex-post, generally after activities are undertaken for the first time or are of particular significance.
Significant Instance of Policy and Systems Influence (SIPSI) & Episode studies	SIPSI and Episode Study approaches are types of outcome harvesting, which include narratives to understand both effectiveness, as well as the contribution of the EOPOs. Outcome harvesting collects evidence of what has changed and works backwards to determine whether and how project activities have contributed to the change. The methodology for SIPSI and Episode Studies are similar, with SIPSI being a 'light touch' version with less resources required.
Most Significant Change (MSC)	MSC is a technique for collecting 'stories of change' from program beneficiaries to understand how they have been impacted by SEP activities. As well as story collection, MSC includes participatory analysis that encourages staff and other relevant stakeholders to consider the importance and value of the outcomes in the stories. This particularly elucidates indirect or unexpected outcomes.

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[19] Formative evaluation is referring to any evaluation that takes place before or during a project's implementation with the aim of improving the project's design and performance.

[20] Developmental evaluation supports innovation development to guide adaptation to emergent and dynamic realities in complex environments/. A developmental approach is best resourced using a "critical friend", with an independent but embedded evaluator supporting the key stakeholders, including delivery partners, firms, and target groups, to reflect and seek continual improvement. http://www.betterevaluation.org/en/plan/approach/developmental_evaluation

Tool	Application to SEP
Baseline survey	Provide beneficiary profiling and assess situation before SEP commences (CF level) for different indicators, to provide comparison against tracer surveys (including endline)
Tracer surveys- beneficiaries	Longitudinal surveys of representative sample of individuals that have participated in the programme, either as part of the skills or migration components. This complements the sentinel surveys and is used to determine changes in income and work conditions, as well as productive use of savings.
Tracer surveys- employers	Longitudinal surveys of sample of employers to assess changes in skills gaps, application of skills by beneficiaries, and other benefits that SEP may have contributed to. This will help triangulate beneficiary results.
Expected Return on Investment (EROI)	Defined by the **Redstone Approach**[21], there are a number of methodologies that can be selected based on what is most fit for purpose. This is an analytical framework that will build on the aforementioned data collection tools, as well as integrate some primary data collection related to the benefits of programming.
Cost-effective analysis	Analytical method that compares the relative costs to outcomes of different activities. This is best used when there are comparisons that can be drawn with different approaches to try and achieve the same outcomes. It is more broadly used than a cost-benefit analysis or return on investment, as the monetisation of outcomes may be fraught with inaccuracies
Randomised Control Trials (RCTs)	RCTs may be applied where appropriate, within a project if RCT conditions are met, and the effort is considered worthwhile, or comparing a strategically important project (e.g. on-the-job training of pre-employment, with the status quo (e.g. institution-based).
Quasi-experimental approaches (QEA)	Similar to the RCTs mentioned above, QEAs will be used on specific projects to evaluate the attribution to change. These may be used when RCTs are not possible. For further information, see 6.4 below.

6.4 Measure of Job Creation:

Skills for Employment programme (SEP) utilised the Donor Committee for Enterprise Development (DCED)22 Standard for Results Measurement framework to develop it's Monitoring Evaluation and Learning (MEL) system which incorporates measurement of Job creation. The DCED Standard provides a practical framework for private sector development programmes to monitor their progress towards objectives. This framework was developed in 2008 that enables programmes to better measure, manage, and demonstrate results. SEP MEL system focus on monitoring both the indicators and the process to job creation.

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[21] https://www.redstonestrategy.com/wp-content/uploads/2016/08/2013-09-30-IDRC-Helping-think-tanks-measure-impact.pdf

[22] UKAid is a member organization of DECD

The Skills for Employment programme utilises the following process to measure Job creation:

First Step:

SEP works with various types of private sector organisation through Challenge Fund grants. These projects are similar that they all have the same objective - train and place beneficiary in employment but the implementation approaches are different. Hence, to have a common understanding the key terms definition are defined at the SEP programme level with some specific term defined at challenge fund partner project level which are only relevant to the project.

The programme has defined the following terms to measure job creation:

Job: "a set of tasks and duties executed, or meant to be executed, by one person, including for an employer or in self-employment."

Employment: "a range of jobs in employment/self-employment opportunities that can generate a minimum income of Rs. 13,450[23] per month."

Gainful Employment: "a range of employment (formal or contract work where the worker receives consistent work and payment from the employer/client) / self-employment opportunities (income generation activities where the worker is able to earn that meets the needs and allow some saving) that can generate a minimum income of Rs. 13,450 for 6 months (Rs. 80,700 in total)."

Second Step:

To measure job creation the programme has identified to utilise the *qualified headcount approach* to measurement. The job headcount indicator approach is used by DFID (currently known as FCDO).

The headcount approach states to measure job creation is to count the number of jobs that meet the minimum requirement of employment of the programme.

SEP considers a job to be a person that meet all three conditions:

- Working at least (minimum) 20 hours/week for at least 26 weeks/year
- In conditions that comply with the 8 ILO Core Conventions[24]
- Earning at least the "national minimum living wage" of Nepal - employment/self-employment opportunities that can generate a minimum income of Rs. 13,450 per month.

Third Step:

For each individual CF partner project, the programme identifies the type and characteristics of the jobs that will be created by the project. This will define the characteristics of the jobs that is expected to be created and measured.

In addition, it also identifies and determines:

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[23] Minimum wage requirement set by Nepal Government Labour Law
[24] These include: Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right
to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced Labour Convention, 1930 (No. 29)
Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of
Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100), and Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

(i)   where those jobs are likely to be created – in which sectors and which geographic region.

(ii)   if the jobs created will be direct or indirect – [Direct Jobs: Jobs created by the service providers that a programme directly works with. Indirect Jobs: Jobs created by firms' distributors and suppliers within the value chain.].

(iii)   if project is likely to generate significant income gains.

SEP will develop results chains (intervention logic / Theory of Change) for each intervention partners to articulate the changes it expected to observe as a result of its funding. All projects funded by the programme included job creation as an expected result in their results chains.

Fourth Step:

The SEP Program utilises direct measurement method to measure job creation. The programme conducts direct measurement by utilising the following four approaches:

- Programme / Project **beneficiary profile records** which are records collected and shared by challenge fund partners. These records are collected by firms themselves in collaboration with the programme team. It provides characteristic background information of each job (e.g., gender, ethnicity) and also includes previous employment status of job takers.
- Obtaining **employer records** which are the records collected and shared by employers. These records are collected by firms themselves. Employer records capture quantitative information, such as the number of people employed, total hours worked, and salary received.
- **Firm/employer surveys** administered with company representative. This method collects information on the creation of direct and indirect jobs as well as capture changes in job creation at firm level and their respective sector.
- Surveying employees through beneficiary **tracer survey** with beneficiaries who receive training and placement in jobs. This will be used to verify the information reported by employers and assess qualitative aspects of employment, such as the quality of work.

Fifth Step:

The programme will evaluate and measure the impact of job creation. The following aspects of job creation will be evaluated:

- Identify the baseline employment and income levels. To assess the impact that income increases will have, the programme will calculate the baseline employment and income levels against which programme-generated income increases will be compared.
- Measure the net attributable job creation through SEP partner interventions. This will establish causality between the intervention activities and observable outcome of job created. In addition, the programme will also assess job substitution and job displacement.
- Measure the net attributable income change generated through the SEP for job seekers in the five priority target sectors and geographic regions. This will be done by conducting surveys and impact assessments in its target sectors.

Sixth Step:

The final step of the process is reporting the findings of the programme job creation and impact of the job creation with the funding agency and the larger development sector partners.

Reports will be published and shared to the wider audience.

6.5 Value for Money

Value for Money (VfM) is about maximising the impact of each pound sterling (GBP/£) spent to improve poor people's lives through better employment opportunities that can be generated by focused skills programmes. Evidence of skills and employment programmes are poor when it comes to VfM and benefit-cost analysis, thus this programme further aims to build up the knowledge in this regard by also drawing from DFID "Guidance on Measuring and Maximizing VfM in Social Transfers, Effectiveness (cost-effectiveness analysis and cost-benefit analysis)" and the DFID Subsidy Policy Framework.

VfM will be assessed at the programme level, and at the partner project level, which will be used to inform the former. **Deliverable B2.6 provides** guidance on assessing VfM at the programme level.

At the programme level, VfM will measure:

- **Economy** through Louis Berger's procurement procedures;
- **Efficiency** using the CF modality; by leveraging resources from private sector;
- **Cost-Effectiveness** by using an accelerator; piloting innovations and scaling the cost-effective ones; ensuring coordination/cohesion with other development partners like ILO on migration; and
- **Equity** using a GESI approach to reach the most vulnerable, and prioritising support to the most excluded groups wherever possible to contribute to DFID's leave no-one behind agenda.

At the project level, VfM will cover efficiency, cost-effectiveness, and equity (see MELPs in Annexes 12 and 13).

6.6 Impact Evaluation of Pilots [A4.1.6]

An impact evaluation is a systematic and empirical investigation of the impacts produced by an intervention. Impact evaluation is distinctive as it not only focuses on identifying impacts that have occurred, but whether a program as a cause can be linked to these impacts.

It's focuses on cause and effects differentiates it from performance evaluation. Performance evaluations are a systematic assessment of an ongoing or completed project and programme. These evaluations do not necessarily have to focus on links between the program and results. An indication or association between effects and programs as probable causes is often considered to be sufficient[25].An impact can be either:

- Positive or negative
- Direct or indirect
- Intended or unintended

Impact evaluation's focus on causality can be further defined into two types of causality: attribution (where the intervention can reasonably be said to have caused the change, generally related to lower level outcomes such as learning outcomes/competency) and contribution (where the interventions is one of several factors together producing the change, generally related to higher level outcomes, such as employment, income).

When assessing attribution, we are attempting to determine if the program caused the observed impacts. Attribution implies that the interventions definitively caused these impacts and we can confidently estimate the proportion of impacts caused by the program.

Figure 8 Attribution

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[25] Ellilot Stern, 2015, Impact evaluation: a guide for commissioners and managers

Following are some questions that might be used for addressing attribution:

- Are the results attributable to the program?
- Are the indicators of interest changing as a result of the program?
- Did the program cause the impact of interest?

Assessing contribution involves determining if the program contributed to or helped to cause the observed impacts. Unlike attribution, contribution implies that we cannot definitively link the program with observed factors. Instead, we are confident that the program has been one of the contribution factors producing impacts.

Following are some questions that is related to contribution:

- Did the program contribute to the outcomes of interest?
- Are the outcomes of interest changing?
- Is there evidence that the program helped to achieve or was part of what caused the outcomes of interest?

Figure 9 Contribution
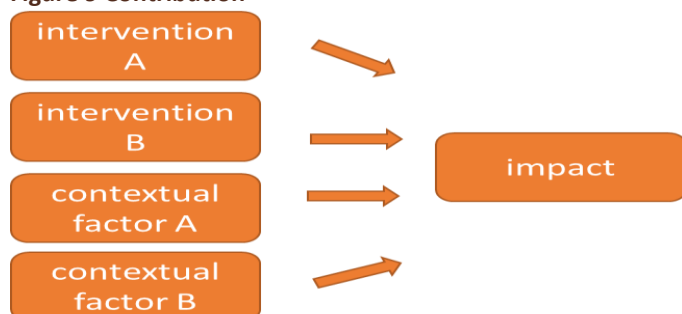
SEP will conduct impact assessments of all projects funded through the Challenge Fund. SEP will also undertake different types of impact assessments during different stages of projects, including during prototyping, piloting and scaling (discussed further in this section).

Impact assessments can be through three broad types of approaches:

- Experimental (e.g. Randomised Control Trials, the preference expressed in DFID SEP ToR)
- Quasi-experimental (e.g. Before, After-Control, Impact; like RCTs above without randmomisation)
- Non-experimental (e.g. contribution analysis, process tracing, general elimination methodology, collaborative outcome reporting; using mixed methods where a counterfactual cannot be used)

Impact Evaluation Plan

e.g. competency, skills gaps filled

Evaluability assessments of all pilot interventions will be undertaken to identify whether a proposed project has measurable outcomes, and what the most appropriate methodology is for evaluation of the interventions and taking consideration for lessons from the evidence base (see Section 1.3).

The ability of a proposed project to be monitored and evaluated for impact is one of the decision-making criteria in the EOI rubric (Annex 3). Evaluability is one of the investment decision making principles. That assesses if a project proposal has adequate monitoring, evaluation and learning structures in the project design to make it sufficiently able to be evaluated. An outline of the decision-making logic for evaluability assessments of skills project proposals is provided in Figure 10.

Figure 10. Outline of decision making logic for skills component proposals

Decision-making logic for evaluability assessment of 'productivity' (post- employment)
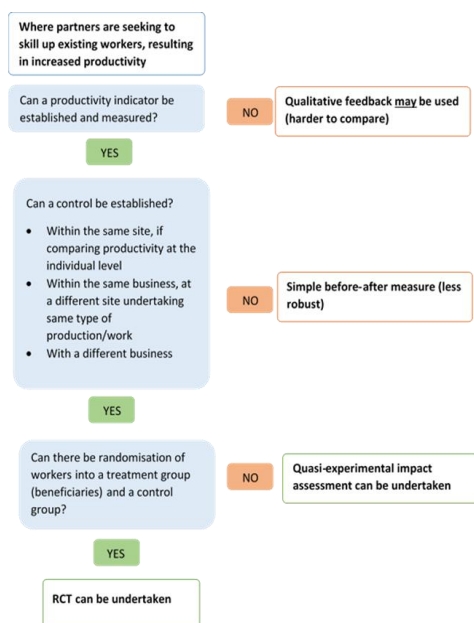
Decision-making logic for evaluability assessment of 'competence' leading to income (pre-employment)

Where partners are seeking to skill up existing workers, resulting in increased productivity

Can a productivity indicator be established and measured? → **NO** → Qualitative feedback **may** be used (harder to compare)

↓ **YES**

Can a control be established?
- Within the same site, if comparing productivity at the individual level
- Within the same business, at a different site undertaking same type of production/work
- With a different business

→ **NO** → Simple before-after measure (less robust)

↓ **YES**

Can there be randomisation of workers into a treatment group (beneficiaries) and a control group? → **NO** → Quasi-experimental impact assessment can be undertaken

↓ **YES**

RCT can be undertaken

Where partners are seeking to skill up new workers, resulting in increased competence or better learning outcomes for beneficiaries

Does the proposed SEP training offer something different from standard training? → **NO** → *Not innovative*

↓ **YES**

Can there be randomisation of learners into a treatment group (beneficiaries) and a control group? → **NO** → Can a control be established? (e.g. standard institution training) → **NO** → Simple before-after measure (less robust)

↓ **YES** ... ↓ **YES**

RCT can be undertaken ... Quasi-experimental impact assessment can be undertaken

SEP MEL will **develop Challenge Fund project MEL plans** for all funded projects. The SEP Challenge Fund modality means that projects will be demand-driven. This in turn means that the outcomes sought by private sector and other delivery partners need to be considered in the monitoring and evaluation of projects. Development and implementation of impact evaluation needs to reflect the project context and outcomes, which means that a range of impact evaluation approaches need to be considered, as there will be no single approach will fit all projects. As such, the Challenge Fund modality requires a level of adaptability for impact evaluation as it is not possible to predict the types of projects that will be put forward, and their context.

Table 13 summarises different types of impact evaluation approaches that may be considered. The DFID SEP ToR notes the preference for RCTs to assess project impact. Figure 11 below illustrates the process of deciding whether an RCT is appropriate to a particular challenge fund project. Where RCTs are not appropriate, quasi experimental approaches will be sought, along with non-experimental approaches as required.

Figure 11 Process for deciding when an experimental or non-experimental approach is needed
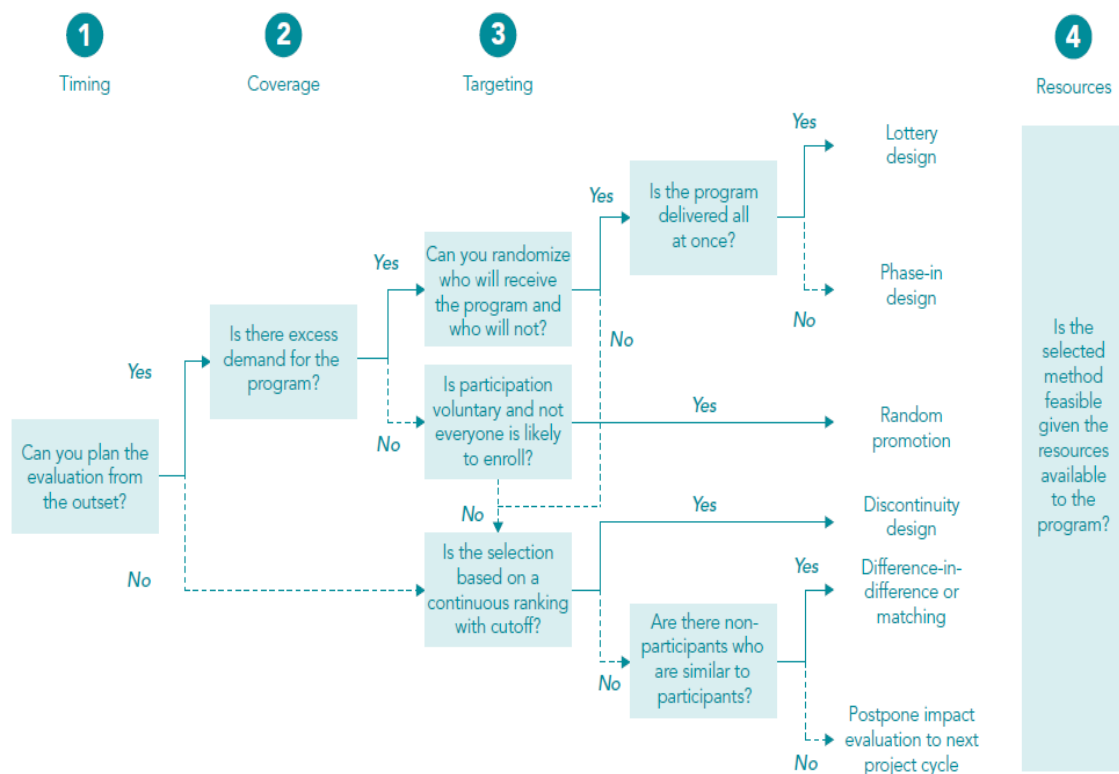
**Table 13. Summary of different types of impact evaluation approaches**

Impact Evaluation Approach	Description	Project Stage
Rapid fire/AB tests	This approach is specifically aimed at improving product or project design. These types of tests provide behavioural insights to understand how people respond to a message, product, service etc. People are randomly allocated to the message, product, service etc and their response is assessed against other treatments, or a control. In the skills component, this can be used for testing of specific activities to encourage attendance at training, e.g. for DAGs, women. In the migration component, this could be used to test beneficiary response to proposed financial products and services, and ways of receiving migration advice/counselling.	Prototyping and/or Piloting if required

Impact Evaluation Approach	Description	Project Stage
Light touch RCT	An internally managed RCT, using minimal resources and smaller sample sizes. Where the partner proposes a large pool of potential beneficiaries (same role/job function), a light-touch RCT may be used, where some employees are allocated to training (the treatment group) and other employees are allocated into a 'control' group. In such instances, the RCT would assess the impact of training on the beneficiaries' work (e.g. increased output, quality of work, etc.), against those that did not get the training.	Pilot
Quasi-experimental approach	Similar to the 'light touch RCT', but where randomisation is not possible. Where the partner has multiple sites/offices with potential beneficiaries undertaking the same job roles/functions, the training impact could be assessed against employees from a different work site.	
Large RCT	A research organisation-led RCT on one or two (e.g. one skills, one migration) interventions deemed strategically important. In skills, for example, this may assess the competency and employer-readiness of beneficiaries in a skills intervention piloted by SEP (e.g. Model 1- employer sponsor/own training provider) against the standard training provision (e.g. national TVET provider). This would require randomisation of youth into the SEP training intervention 'treatment' or into the standard training 'control'.	Scale-up

MEL team role starts from the beginning of challenge fund process, when the potential investment application will be assessed for evaluability. This is the start of impact assessment process and involvement of MEL team. Figure below illustrates MEL's role in impact assessment process.

Figure 12 MEL Role in Impact Assessment Process

SEP MEL's role in impact assessment
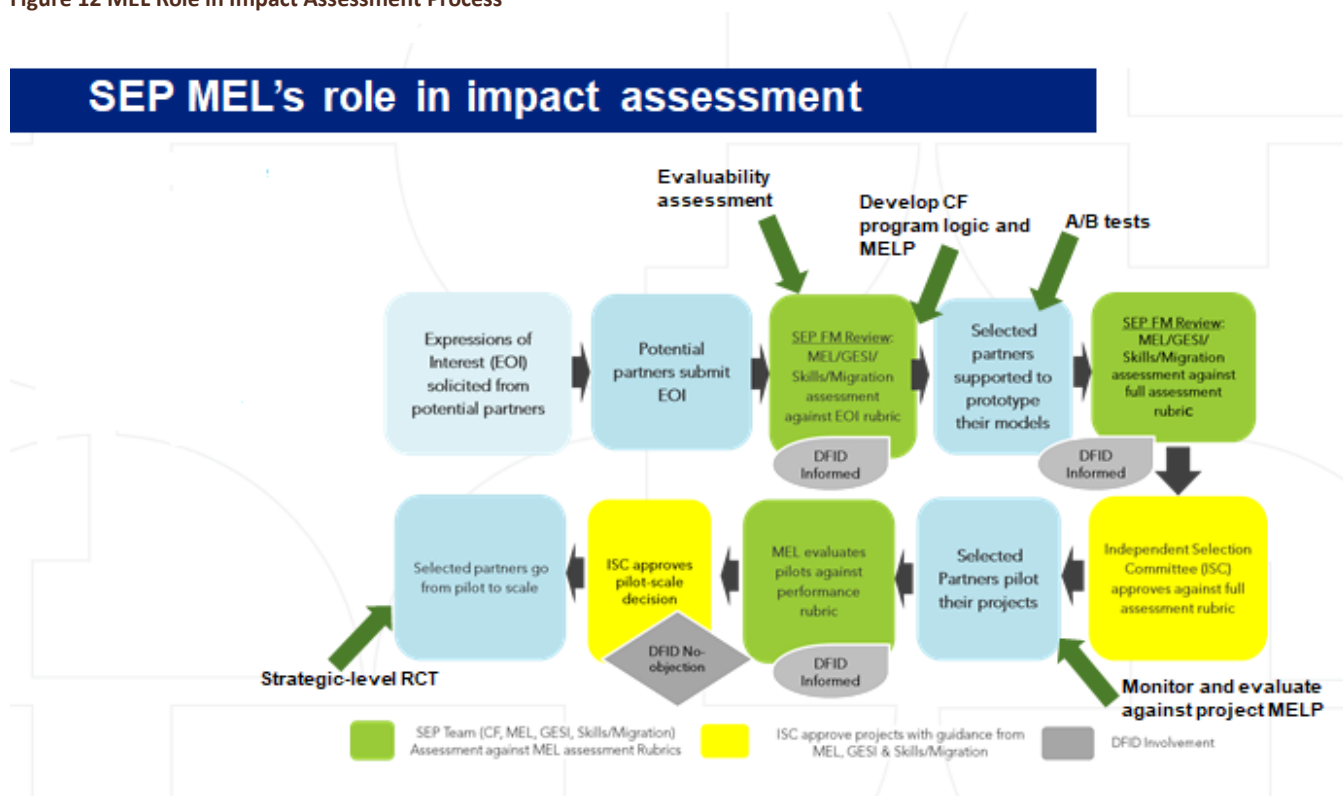
Randomised Control Trials

DFID's ToR identifies the use of Randomised Control Trials (RCTs). While RCRs provide the greatest rigour and statistical certainty on the attribution of causal inference (i.e., understanding the degree of change due to the intervention), there are limitations in terms of cost and data availability, particularly considering the Challenge Fund modality and the need to consider business interests (i.e. business partners may have specific staff skilling needs and may not want to randomise staff into treatment and control).

RCTs require three conditions:

- Subjects are randomly allocated to a control or intervention group
- A control, or counterfactual is available- consisting of a randomly assigned group from the same population that does not receive the intervention that is the subject of evaluation.
- Baseline and endline data is available

When is RCT appropriate in Challenge Fund projects?

- For **relatively simple, linear and bounded problems** in which there is generally a clear cause and effect, such as the impact of introduction of a new curriculum on learning outcomes. The impact can be clearly assessed. There are no other factors that may have a significant influence on impacts, such as contextual factors and other programs.
- When **random allocation** into treatment and control groups can be undertaken and maintained. If participants are selected or self-select and the program is already underway then an RCT cannot be conducted.
- When the **intervention's model is clearly defined**, settled (i.e. has not been evolving throughout the program) and is being implemented as intended. If not, it will not be clear what exact part of the program or what stage caused the impacts.

- When you can collect a sufficiently large sample.
- RCTs are resource intensive and are generally done on one intervention.

Randomisation can also be used at the prototype stage of Challenge Funds as part of **A/B tests**.[26] These can be used, for example, to test messages to get a particular end-user to take up services (e.g. getting migrants into training), or test whether an intervention helps achieve the desired outcome (e.g. providing a transport subsidy to get poorer people to attend training).

Light-touch or nimble RCTs may be used during pilots, where projects allow randomisation of potential beneficiaries into treatment or control. For example, a large employer (e.g. a garment manufacturer) may have a large employee base from which to randomly allocate staff with similar roles into a treatment or control group. This would allow the impact of training to be measured, for example against a standard objective measure such as Standard Allowable Minute (SAM- see section 5.3, productivity). Other RCTs may measure effectiveness against the level of competency following training, rather than higher levels such as productivity. For example, a training intervention may compare the competency of graduates (e.g. based on completion tests) against current training delivery.

RCTs will be used, if appropriate, at the scale-up stage on one or two selected interventions (e.g., one migration intervention and one skills intervention) that are deemed to be innovative (e.g., new to Nepal) or that will answer a strategic question (e.g., where an existing model or approach has added interventions to try and improve its effectiveness).[27] However, RCTs are not suitable for all projects and are resource intensive (see Annex 9 for flow chart to assess when RCTs may be appropriate).

Where RCTs are planned, an external organisation will be contracted. Clear Horizon has existing relationships with several RCT providers including Abdul Latif Jameel Poverty Action Lab (J-PAL) which is associated with over 140 research institutions and is a premier RCT provider in a developing country context, including those projects focused on workforce development. Partners would be used where necessary to assist in the design and analysis related to the RCT, providing a wealth of geographic and sector specific expertise to RCTs to complement the practical experience of Clear Horizon. Clear Horizon would oversee the process and quality assure each RCT through the use of respected researchers to peer review the analysis and results.

Quasi-experimental approaches
Quasi Experimental Approaches (QEAs) provides a less costly and less data-intensive methodology, though the rigour is somewhat lower and still this may not be able to be applied in all circumstances. While the final methodology may vary, pilot models will have some type of impact evaluation method that is appropriate to the context. QEAs include:

- Pre –Post (Before vs. After) - Looks at the average change in results for key indicator(s) over time
- Simple difference – compares results of the intervention group with a control group that did not get the intervention; but may be subject to selection bias
- Difference-in-difference – compares before and after results in intervention group with those before-after results of a control group. This is one of the closest methods to RCTs, though is often limited due to a lack of randomisation.

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[26] https://www.poverty-action.org/blog/beyond-rcts-how-rapid-fire-testing-can-build-better-financial-products
[27] DFID identified RCTs as the preferred approach to evaluating pilots and identifying models to take to scale. Based on discussions with J-PAL, it is suggested that RCTs are not be feasible and practical at pilot stage due to: the large number of potential pilots/CF projects, the likely time lag between interventions and desired outcomes, the resourcing required for RCTs, and that RCTs are best used on one or two strategic projects.

Impact evaluation reporting

In addition to other reporting to DFID, a report will be provided to DFID at the end of the pilot phase that outlines the assessment of pilots and justification for the selection of pilots to take to scale. This report will include which project(s) taken to scale that can be considered for a RCT.

Where an RCT is identified as beneficial to the project in the scale up phase, this will be captured in a separate, standalone report. This report will be prepared by the researchers/research organisation that will be contracted to run the RCT. The report will be quality assured by at the SEP peer review group, and other experts as required (e.g. JPAL).

Impact assessment of existing models/projects

The skills and migration teams have identified 13 models (Tables 2 and 3) under which investment partners can apply for Challenge Fund funding. Examples of existing industry or provider-led training, or products and services (migration component) under the different models is presented in Annexes 15 (**Deliverables A1.3.1 and A1.3.2 Skills models for Challenge Fund Piloting**) and 16 (**A2.3.1 and A2.3.2 Migration models for Challenge Fund Piloting)**.

SEP will encourage existing training and products/service providers to apply to the Challenge Fund to innovate or scale-up their activities, but they will all require assessment against the Challenge Fund investment decision-making criteria, as per all proposals.

Each of these models may target one or more categories of beneficiaries (e.g. pre or post-employment in skills models; migrants and/or migrant households in migration). The models, depending on the type of beneficiary, will lead to different outcomes, which will influence the impact assessment question and approach. For example, Model 1 (Employer sponsor/ own training provider), with a post-employment beneficiary will lead to individual or business productivity, whereas with pre-employment employment beneficiary, it will lead to employment and income outcome. Examples of possible impact evaluation questions, and the type of control required to demonstrate attribution, is presented in Annexes 15 and 16.

As noted in section 1.4, there are other donor-funded skills programmes and migration programmes being implemented in Nepal (presented in Annexes 15 and 16). SEP will liaise with the donors to monitor their impact (providing a means to compare SEP's CF modality to other modalities), and lessons learnt.

7. Learning and adaptive management

The MELF is developed using 'Utilisation Focused Evaluation' principles, meaning it responds to the information needs of the key stakeholders. Ongoing learning and reflection will be integrated into the M&E Operations Manual. It is included in the general management approach, such as weekly meetings, monthly meetings, partner meetings, etc.

Learning and adaptive management will be achieved through the following:

Table 14: Learning and adaptive management approaches

Approach / process	Application to SEP
Rapid prototyping	Prior to piloting, models will be prototyped to test and improve the theories underpinning them. Rapid feedback loops to test, learn, adapt strategies, products and services before piloting.
After action reviews	Provides a rapid learning approach to be used ex-post activities. e.g. Prototyping in Limited Window, key interventions during piloting, *etc*.
Positive and negative deviance case studies	A range of monitoring and evaluation methods will generate case studies. These will be analysed to identify successful/unsuccessful models and what makes them so to inform learning within SEP and outside of SEP.
Reflection Workshops	Summarising all the information, reflection workshops are undertaken on six monthly basis at CF, component, and programme level, to review progress and lessons learnt during the year and inform ongoing improvements to implementation.

7.1 Reflection workshops

A reflection workshop is a participatory process that draws on multiple perspectives to make sense of M&E data and build consensus among not only project staff, but key stakeholders, including DFID, GoN, and potentially beneficiaries, on the evidence, findings, conclusions, and management response. The workshop follows a three-step process:

- The available data is assembled beforehand and summarised for participants
- Participants interpret, revise and agree on results
- Based on the results/data available, management responses are developed

This process facilitates collaborative sense-making and more systematic critical thinking – to give meaning to data and emerging knowledge in order to be able act on it. This tests and ground truths the evidence; judges project performance with key stakeholders; and builds consensus among stakeholders on improvements. The output of the reflection workshop is an evidence matrix that includes all the evidence, findings and lessons that are co-developed, which can be the key messages for communication purposes.

The annual reflection workshops during the scale-up phases can be used to recommend whether an extra year of implementation is appropriate.

7.2 Decision Making on Challenge Fund Projects

Decision making criteria has been identified to assess the value of pilots, and in particular whether or not to fund pilot projects and then to decide whether or not to scale them. This process and the targets will be further outlined in the CF manual. Below is a brief description.

Selecting Challenge Fund projects to pilot

Expressions of Interest (EOI) for CF windows will be released to the market. An Independent Selection Committee (ISC) will assess the CF applications following the prototype step (see Figure 2, and Challenge Fund Manual). The ISC will assess applications against the investment decision-making criteria (see Annex 4). Monitoring frameworks will be put in place for each pilot funded, aligned with the MELPs and developed with support from the MEL team. This will cover the 3% of financing contributions (part from the CF, part from the partner) to undertake baseline, endline and potentially midline depending on the scale. Specific methods, indicators and data collection tools will be provided.

Selecting Challenge Fund projects to scale up

Decisions on whether to keep, adapt or drop pilots will be based on the assessment of the performance of pilots against their individual MELPs and against the performance rubric (see Annex 5). The assessment of CF projects against the performance rubric will consider the strength of evidence available (see Table 15 below). Decisions to refer projects to the ISC for scale-up pilots will require a moderate or strong strength of evidence.

The assessment will be first undertaken by the SEP team (specifically, the MEL and component leads) followed by members of the ISC. The assessment of selected pilots to take to scale will be presented to DFID for endorsement and outlined in a report to DFID at the end of the pilot phase.

Table 15. Strength of Evidence

Evidence	Definition
Weak	Includes non-validated assertions, personal opinions and anecdotes. Weak evidence is not sufficient to rate an investment criterion satisfactory.
Moderate	Evidence derived from a more limited range of sources such as implementing partner reports, records of monitoring visits or records of discussions with partners and other stakeholders.
Strong	Evidence derived from multiple reliable sources, independent reviews/evaluations, quality assured monitoring data, implementing partner reports validated by monitoring trips, and independent research conducted in the sector.

8. Evaluation Capacity Building

MEL responsibilities cut across all the roles of the SEP team, and are not solely the responsibility of the MEL team. MEL responsibilities will also be devolved to the individual Challenge Fund partners, with support from SEP[28]. Clear Horizon will develop an Evaluation Capacity Building (ECB) Strategy during the Inception Phase and deliver clinics to be held in Kathmandu with the project team and investment partners as part of the ECB Strategy. The main emphasis is to build the capacity of the entire SEP team and investment partners. It is important that all SEP implementation staff understand MEL to support learning and improvement.

The ECB will include socialising and training on the various MEL tools that are developed. Moreover, the clinics will provide a time to review all of the data that has been collected and provide an opportunity to perform QA and gather feedback. Any updates to the ToC, MELFs and MIS will be able to be identified and undertaken during the clinics.

The activities in the ECB include:

- Clinics: To be held in Kathmandu as trainings and workshops on topics that are relevant at the time. These are anticipated to be held on a quarterly or six-monthly basis, with more at the beginning of the project. Example of topics include program theory, rapid prototyping, case studies, key informant interviewing, after action reviews, etc.
- Guidance notes: To be developed for specific components of the programme, linked often with the MELPs, CF Manual or the like. This will be undertaken to support the capacity building, while also to enable more efficient compliance with processes.
- On-call support: On call support with Clear Horizon / MEL Team is available for specific questions or needs by the SEP team and partners. This may be quality assuring, reviewing, teleconferences, emails or the like.

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[28] The CF Manual outlines in detail that aafter ISC approval, and investment partner agreeing to the DDA management letter and any ISC conditions placed on the investment, SEP will hold an Induction Workshop which includes a module related to MEL.

9. Reporting and communication [A4.1.3]

9.1 Reporting to DFID

Reporting and communication will be tailored according to each audience. Internal communication will principally draw on the semi-annual reflection workshops which will be used for communicating results both within the project team and key stakeholders, such as DFID. Alongside these reflection workshops will be formal progress reporting to DFID, including:

- Light-touch monthly progress reports including dashboard (see Figure 8 for example) – focusing more on accountability of what has occurred, and for management purposes.
- Quarterly project reports are provided by all partners to SEP, including quantitative indicators and qualitative performance reports (see CF Manual)- these will inform the quarterly progress report to DFID (see below) and will include a summary of overall progress, issues, lessons.
- Quarterly progress and financial reports which will report on progress against the SEP logframe and component MELPs – to be completed by the programme manager and informed by partner reports (see above), and reflection workshops, with emphasis on accountability, and demonstrating performance of progress towards component outcomes.
- Annual progress report will report on progress against MELF and will include key achievements, lessons learned and management responses. These reports will draw upon the annual reflection workshops, including agreed results and management responses.

The table below Illustrates the SEP reporting timeline of various report submitted to DFID.

Table 16 Reporting Timeline

	Financial year			
Reporting	Q1 (Apr. - June)	Q2 (July - Sep.)	Q3 (Oct. - Dec.)	Q4 (Jan. - Mar.)
Monthly Report	May 10 June 10	Aug. 10 Sep. 10	Nov. 10 Dec. 10	Feb. 10 Mar. 10
Reflection workshop (6 monthly report)				
Quarterly Progress Report to DFID	July 15	Oct. 15	Jan. 15	Apr. 15
Annual Progress Report to DFID	Apr. 30			

9.2 Impact evaluation reporting

In addition to the above reporting to DFID, a report will be provided to DFID at the end of the pilot phase that outlines the assessment of pilots and justification for the selection of pilots to take to scale. This report will include which project(s) taken to scale that can be considered for a RCT.

Where an RCT is identified as beneficial to the project in the scale up phase (see section 6.4), this will be captured in a separate, standalone report. This report will be prepared by the researchers/research organisation that will be contracted to run the RCT. The report will be quality assured by at the SEP peer review group (see section 12.2), and other experts as required (e.g. JPAL).

9.3 Independent external evaluation

An **independent external evaluation** may be undertaken at the end of the programme by independent third-party evaluators, should DFID allocate separate funding for this activity. A steering committee including DFID can be set up specifically for this purpose, requiring the third-party evaluators to report to the committee in an appropriate manner. SEP MEL will prepare a terms of reference (TOR) will be developed and released to the

market, potentially using the DFID Global Evaluation Framework Agreement. This is likely to include the range of key evaluation questions identified above, with sub-questions to be specified by a steering committee.

9.4 External Communications

Knowledge generation dissemination is core to SEP. The MEL team will support SEP and partners to disseminate evidence of cost-effective models demonstrated in the pilot phase of both components by quality assuring evidence and co-developing communications materials. Other external communication products will be co-developed with programme staff, including six-monthly progress summaries, as well as concise, case-studies of effective approaches/programme highlights for sharing with target stakeholders and public dissemination.

The following external communication methods will be used throughout SEP:

- Website with overview of SEP, repository of documents for CF applications[29], and dashboard of projects funded (e.g. list of project name, project details, funding, activity tracking, performance results, etc.).
- Annual reports (summary) that highlight the activities that have taken place.
- Case studies of successful projects for demonstrating positive outcomes.
- Case studies of unsuccessful projects for highlighting lessons.
- Stories of change of individuals / businesses to highlight impacts.
- Research and evaluations commissioned by the project.

10. Management Information System

A customised Management Information System (MIS) will be designed to provide data capture, storage and processing for day-to-day business processes as well as strategic planning and management across all components of the programme. The MIS will be linked to monitoring tools, facilitating data capture, analysis and reporting.

The MIS will be seamlessly integrated across the Challenge Fund modality, building on the MIS lessons from the DFID-Sakchyam (Access to Finance programme), also implemented by Louis Berger. This includes ensuring that the MIS captures data from partners, tracking the progress and outcomes across the implementation of interventions, and other programmatic requirements (e.g. such as financial information including in-kind leveraged contributions).

The MIS will be informed by this MELF and MELPs, and will offer robust, secure and accessible information solutions, and be able to be accessed by defined users. It will be developed with the completion of the MELPs and integrated into the CF Manual. It is expected that this may be piloted in the first CF windows, and further refined thereafter.

Where appropriate, SEP will establish **mobile data collection** to streamline the data capture process. This can include questionnaires, SMS push surveys, as well as using social media to keep programme participants engaged. Android based systems using tailored software will be developed, that can be integrated into a **unitary cloud-based data storage solution**. A range of data analysis tools may be used throughout, including monthly **interactive dashboards**, using software like PowerBI[30]. A dashboard will support the tracking of beneficiary

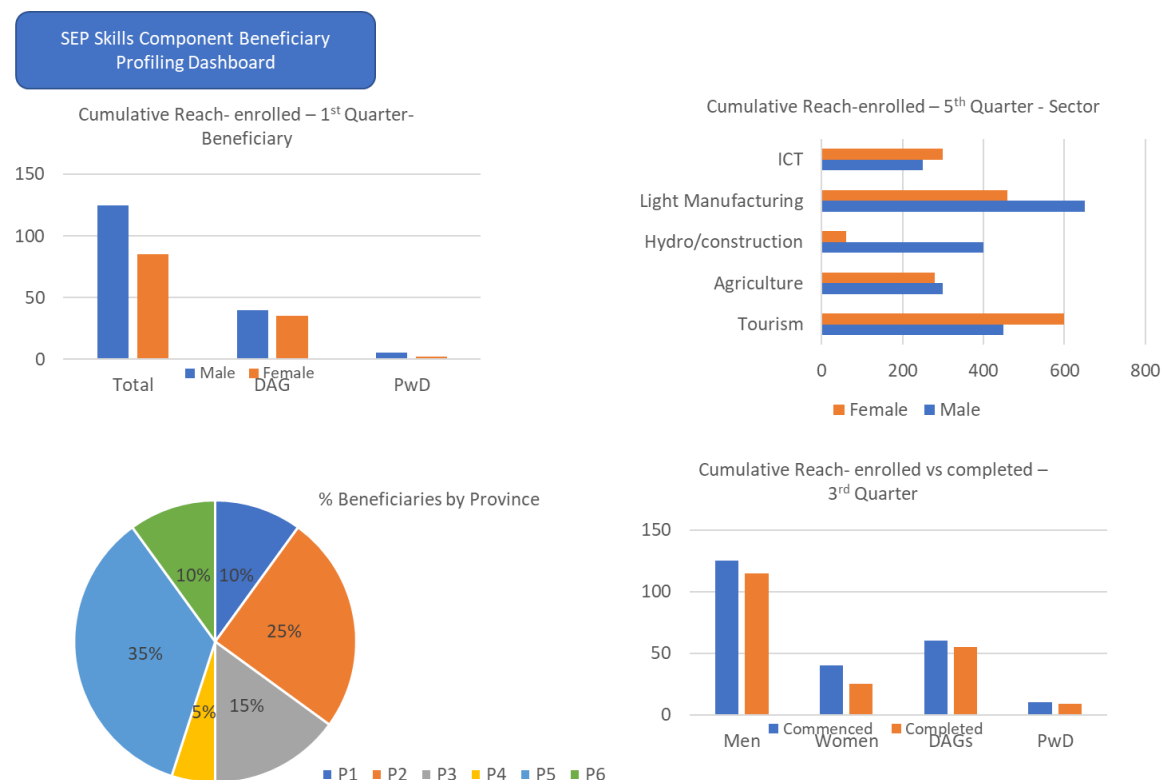---

[29] Due to business in confidence, details may be withheld from general publication related to individual CF applications.
[30] https://powerbi.microsoft.com/en-us/

profiling to ensure that SEP reaches its desired beneficiaries. Example dashboard graphics are presented in Figure 13.

Figure 13. Example SEP dashboard- skills component beneficiary profiling

11.Risk Management

The programme risks will be continually monitored by SEP MEL and the programme team. The programme risk matrix will be reviewed and updated on a monthly basis. The risk matrix is presented in Annex 12.

The risk matrix depicts various risks brought about due to the context and political risk and uncertainties around federalism and mandates at sub-national level, the high-risk approach in working with private sector and potential fiduciary risk.

The risk matrix also presents mitigation measures to counter the identified risks. These risks and mitigation measures are updated every month and submitted to DFID to reflect any new changes. Under risk mitigation measures, alternate options are developed, and actions determined to enhance opportunities and reduce threats to project objectives. This involves development of mitigation plans designed to manage, eliminate, or reduce risk to an acceptable level. Once a plan is implemented, it is continually monitored to assess its efficacy with the intent of revising the course-of-action if needed.

The section below explains in detail the risks associated with the programme and the mitigation measures. The categorization of risks in the matrix have been presented as:

1. External Context – Political, Natural Disasters, Environment and others risks beyond the programme's control

2. Delivery/ Implementation/ Operational risks
   a. Delays in approval from the regulating authorities
   b. Risks on managing project expenses, including risks related to managing consortium partners
   c. Role of DFID, MEL, Independent Selection Committee

3. Safeguards – Duty of Care, Environmental, Indigenous People
   a. Exclusion faced by women, disadvantaged groups, poor and people with disabilities
   b. Safeguarding on sexual exploitation, abuse and harassment including with downstream partners

4. Investment
   a. Reputation risks
   b. Private sector unwilling to co-invest in training maintain payments over life-cycle of the programme or discontinues their training investments after the programme ends.
   c. Programme is seen to be supporting private sector rather than the poorest or that the programme is supporting migration
   d. Risks in moving from pilot to scale up

5. Fiduciary - corruption, financial management, fraud, VFM
   a. Programme funds may be misused, or not be utilized to its maximum benefit.
   b. Value for Money
   c. Code of Ethics/ Anti-Corruption
   d. Risks of non-performance (including but not limited to beneficiaries dropping out of training, losing the link between training and employment through job placement, disagreement with the model approach, etc).

12. Governance

12.1 MEL Peer Review

Resources have been identified for peer review of the MEL, particularly to quality assure reports and results derived from the MEL. The peer review group will comprise DFID Research and Evidence Division, and experts in MEL, migration, and skills.[31] The group will convene on a 6-monthly basis via teleconference to provide guidance on the MEL and adaptive management.

The peer review group will meet at the end of the Pilot phase to review the end of pilot phase report that includes results of pilot projects and recommendations for scale up.

The peer review group will also provide guidance in selecting a project that will be subject to a RCT, and provide quality assurance and guidance to the research, including methodology, analysis and reporting. For the RCT, the peer review group will be expanded as required to include specialist RCT expertise, such as through JPAL. This will be deployed in a similar vein to peer reviewing scientific journal articles, whereby they will receive blind-copies of the research reports to review and provide commentary, though are not considered 'critical friends' involved in the design and implementation of the research.

Terms of Reference for peer review group will be developed after the start of the implementation phase.

12.2 SEP Steering Committee

SEP will set up a Steering Committee to oversee progress and provide advice on strategic direction.

Composition of the committee will include:

- DFID,
- Ministry of Education,
- Ministry of Industry
- Ministry of Labour and Employment
- Private sector representative organisations

12.3 Challenge Fund Independent Selection Committee

The Independent Selection Committee (ISC) is crucial to the operations of the SEP Challenge Fund to ensure its independence, objectivity and transparency. The objective of establishing the pool of experts for the ISC is to ensure that available SEP Challenge Fund funds are awarded to those applications that rank most highly against the criteria, and the overall objectives of SEP. More information on the ISC is presented in Deliverable A3.1.

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[31] Chris Woodruff, Oxford University, has been identified as a skills and employment expert for the peer review group.

13. Resources and Responsibilities

The scope of the MELF is contained by the resources available for the MEL activities. Specifically, there is a balance required between breadth of MEL, depth of MEL, strength of evidence / rigour, and the resourcing. This MELF aims to be 'lean and efficient', using fit for purpose MEL methods to generate the greatest value for money from the MEL activities that are proportionate to the scale of the investments. The MEL team consists of four people, reporting directly to the Team Leader:

National Staff

- Avigya Karki (MEL Manager) – Full time manager of the MEL system and in-country responsibility for its implementation, including overall oversight of data collection responsibilities by project partners, liaison across SEP team, and reporting to DFID.
- TBD (MEL Officer) – Full time to be recruited in the implementation stage of SEP, with primary responsibility to support Challenge Fund partners set up the MELPs and support partners to collect and QA data.

International Short-Term Advisors

Clear Horizon Consulting has been contracted to provide STA input to the MEL system, as follows:

- Byron Pakula (MEL Expert) – MEL system development, quality assurance and technical guidance across MEL and the SEP programme.
- Damien Sweeney (MEL Specialist) – Day to day management and oversight of the implementation of the MEL system.

Financial Resources

Financial resources have been provided to the total of GBP1,420.000 exclusive of CF project MEL costs. Financial resources for implementing the MEL include:

- Peer review of impact assessments frameworks and implementation, if required.
- Resourcing to undertake SEP baseline review (possible) and final evaluations.
- J-PAL or other costs of external partners for advice on RCTs, if required, will be incorporated into the line costs.
- Management information system set up and operational costs.

Resources excluded from the MEL budget are:

- All project-related impact assessments will be included in the project budgets rather than identified in the MEL. This is up to 3% of the CF project costs that can be related to MEL, up to 1.5% from CF resources (GBP105,000) and at least1.5% of contributions from partners (GBP105,000), a total of GBP210,000 which is exclusive of the GBP 1,420,000.
- Expenses, including airfares, per diem, accommodation, international communication costs, visas, transfers and other incidentals, are aggregated across SEP.

14. Next Steps for Implementation Phase

- Scope and then develop the Management Information System
- Pilot the monitoring, evaluation, MIS tools across SEP during the implementation phase, including feedback for revising
- Develop ToR for independent representatives on peer review group
- Facilitating the learning and reflection workshops for SEP at the component and programme level
- Lead the development of the Quarterly Reporting to DFID
- Continue on a regular basis to provide capacity building support
- Annually update the MELF and MELPs

Annex:

Annex 1. Frameworks underpinning SEP design and implementation

Innovation process

Innovation can be broadly defined as the development of a new idea, method or service. It can be further refined into two forms of innovation: evolutionary and revolutionary innovation. Evolutionary innovation involves adapting new ideas to the existing world and involves incremental improvements, such as the addition of new features to cars. Revolutionary innovation seeks to adapt the world to new ideas and involves the creation of whole new industries or business models and leads to the decline of others such as the development of digital photography.

Broadly, these forms of innovation follow a phased approach to programming from discovery, ideation and prototyping to piloting and scaling. The process is not linear with learnings from each stage looping back to inform early stages, such as learnings from pilots being used to refine ideas and prototypes and then revised pilots; nevertheless, there are distinct phases with different approaches to implementing, monitoring and evaluation. The figure below provides an overview of the innovation process and the appropriate MEL methodologies for each stage.

Figure 14: Innovation cycle
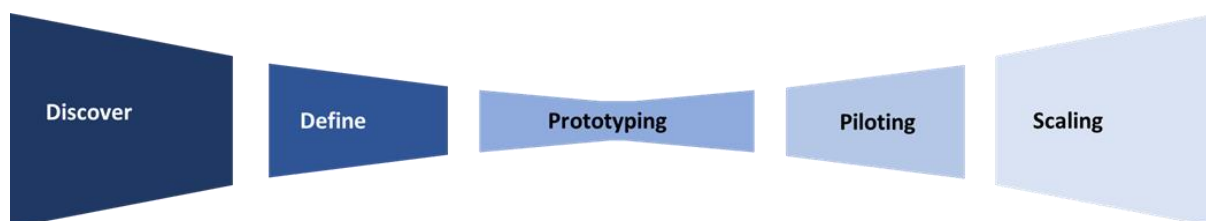
Discover: In the discover stage, the programme team undertakes research to understand the context of a specific development constraint and the opportunities for positive change.

Define: The define stage is about making sense of the research findings and in particular, prioritising opportunities and developing concrete solutions that can take advantage of these opportunities.

Prototype: A prototype is an early stage model that helps to make the intangible aspects of an idea visible so that we can test an idea in action rather than just conceptually.

Pilot: A pilot is a model that it is implemented in a live environment with real people on a small scale in order to gauge its potential to be scaled. It has a clearly defined logic that seeks to demonstrate causation – the hypothesis is that the intervention will make a change to outcomes based on theory and or practice. Pilots are more fully developed prototypes that have been selected for more in-depth testing and have more clearly defined scope and modalities.

Scale: Scaling involves expanding a successful pilot beyond its initial context in order to have a broader impact. Support for scaling of interventions will be based on performance in the pilots.

Enablers of business growth and productivity

This framework provides means to understand how skills interacts with other enablers of business growth and productivity, and the legislative/regulatory environment. As SEP is predominantly defined by skills (excluding the migration section where this framework is less relevant), it is important to understand that skills is one of multiple factors that influence a more productive and profitable business. As per the figure below, there are multiple pillars and enablers of business growth required for firms to be more productive and profitable, along with a conducive political and policy environment. The selection of projects will preference those where skills are the main limiting factor, and a skills intervention will provide the catalyst for improvements. Where other factors are present as barriers to growth and productivity, a skills intervention is likely to not lead to the desired outcomes unless the other factors are tackled by the business itself, outside of SEP funding. The non-skills pillars and political and policy environment pose potential risks to achieving outcomes and can inform the risk matrix.

Figure 15: Requirements for productive and profitable businesses
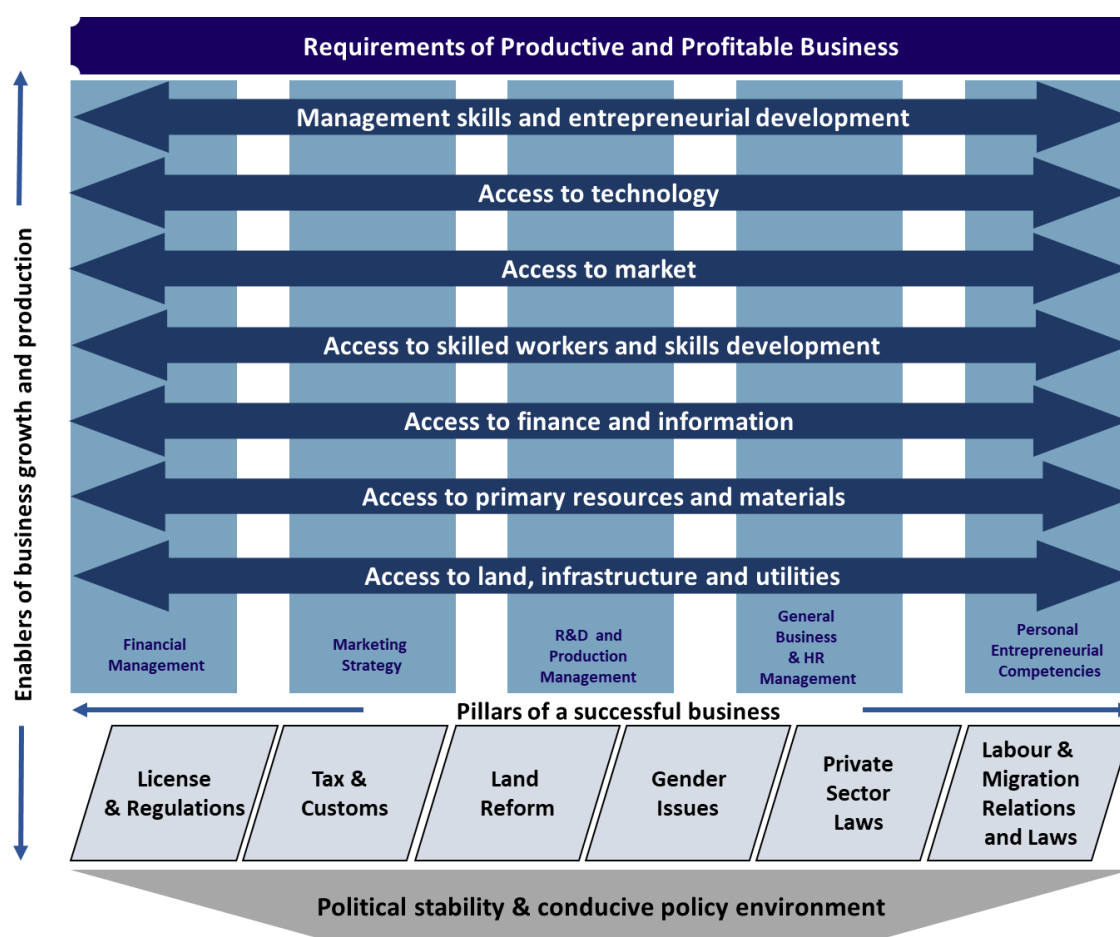
The framework highlights that there are multiple organisational development challenges for firms, and these will vary by individual firm as well as across the sector. Moreover, the nature of the pillar of success and business enablers required will differ based on firm size and sector. Larger firms are more likely to need and have HR policies in place, which provide a counterpart for skills development. In contrast, MSMEs are likely to have skills constraints, compounded by insufficient internal human and financial resources to identify and implement solutions.

Skills may only be one factor limiting the potential of a firm. Therefore, it is important that skills are addressed in firms and across sectors where skills are the predominantly limiting factor, particularly when the objective by which the programme is assessed against is increased productivity. Failing to adequately assess the entirety of the business

enablers and pillars of success could lead to skills development that does not adequately achieve programme outcomes and meet SEP performance expectations. For this reason, the Theory of the Firm is being incorporated in the problem analysis (discover) and model development (define) processes of SEP.

A conducive policy environment related to skills and employment, and migration (within a stable political setting) is being considered by DFID's wider SEP investment (e.g. ILO interventions). If Challenge Fund (CF) projects provide lessons for policy, rules, and regulations, then it may be the case that advocacy for the policy environment improvements could take place.

Challenge Fund modality

The Challenge Fund modality forms the basis of engagement with the private sector. The use of a market-based instrument supports a private-sector led, demand driven programme and assumes a more efficient use of resources. The CF modality is expected to generate a greater level of innovation across SEP. The key components of the CF modality include: investments provided to businesses based on an open and competitive process; private sector contribution of resources; alignment of social development and business objectives; and triggering of private sector innovation.

Figure 16: Challenge fund components

Competitive	Only best projects get funded
Innovative	Projects bring in new or unfamiliar ideas
Social return	Aligns social development with business objectives
Commercial	Business sustainability test
Investment	Share investment in financial sector
Risk	Reduce perceived risks
Independent assessment	Fair & transparent
Simple & Efficient	Clear two stage process
Compliance	Due-diligence & internal audit

The main steps for the CF process are opening and advertising CF 'windows'; receiving and reviewing expressions of interests (EOIs) against a set of criteria; providing 'accelerator' support including prototyping; supporting the development of full applications; reviewing applications against a set of selection criteria informed by the investment decision-making principles; undertaking due diligence of the proponent; kick off induction programme for successful applicants; and then implementing, monitoring and evaluating the interventions. Specific windows will be undertaken with differing purposes, such as focus on gender or disadvantaged groups. Details of the Challenge Fund process can be found in the Challenge Fund Manual.

Making Markets Work for the Poor

SEP will use a Making Markets Work for the Poor (M4P) approach to underpin its sustainable market-based interventions. While the CF model enables for an efficient and sustainable use of programming funds in selecting the best concepts, the M4P approach seeks to address market failures and promote systemic and sustainable skills, employment, migration and socio-economic outcomes.

SEP, through the discovery phase, is undertaking market analysis across multiple sectors to focus on skills need, and understand the wider constraints affecting businesses (refer to Theory of the Firm), as well as an analysis of the migration system. Whilst the analysis is not focussed on market systems that are important for the poor, there is significant overlap considering SEP's emphasis on improving employment and income opportunities for women, disadvantaged groups and persons with disabilities.

As we proceed to the models and intervention levels, the overlap with M4P becomes more apparent. Both SEP and M4P are seeking market system changes by identifying system level constraints that prevent the market from operating efficiently and inclusively. The emphasis for the interventions is to be prioritised around the root causes, notably the market failures related to skills. The migration component will address the cost of migration, opportunities for safer and more profitable migration, as well how to increase the productive use of remittances.

As noted in the Enablers of Business Growth and Productivity, along with M4P, these frameworks take a holistic perspective to the potential for organisational and sector development. However, SEP is focused on one aspect of M4P's supporting functions, that of skills.

Figure 17: Making markets work for the poor
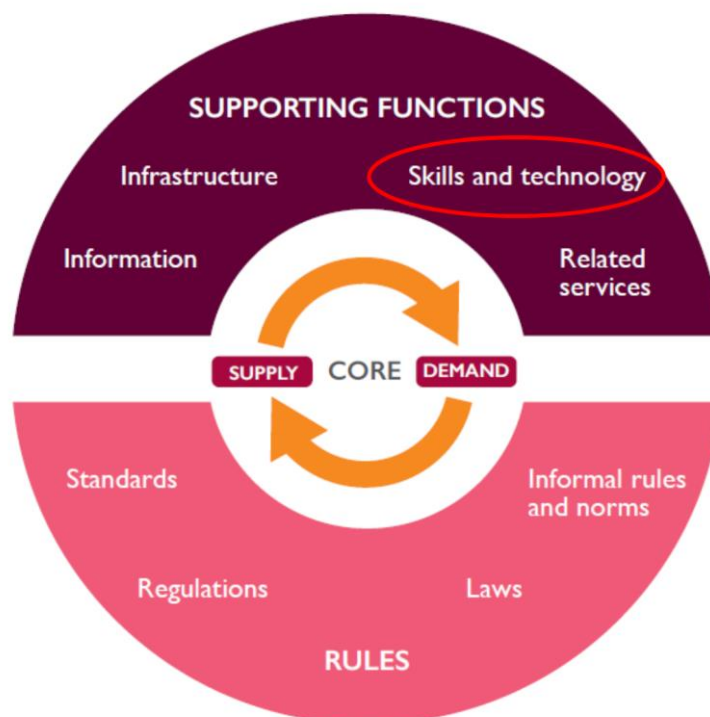
Gender Equality and Social Inclusion

The overall programme target is to reach at least 90,000 Nepalis within the Skills and Migration Components (45,000 beneficiaries in each component). Interventions within the programme will integrate a GESI lens to reach 50% (22,500 people) female beneficiaries for the Skills Component and 33% (14,850 people) female beneficiaries for the Migration Component. There will be a target of 40% (36,000 people) beneficiaries from DAGs across all components. The programme in the Skills Component will also specifically aim to include 10% (4,500) PWDs as direct beneficiaries through trainings that lead to trainings and job placements in the skills and migration component. This will be revised during the inception phase to make an informed, realistic target for the programme. In the migration component opportunities for PWDs will include the urban areas, which may provide internal migration opportunities for PWDs'. This will be further identified and explained in the GESI analysis under the migration component.

A twin-track approach (see figure below) will be used to effectively mainstream GESI across UKaid-SEP to upscale current training modalities that lead to increase job opportunities for DAGs, women, and PWDs. This two-fold approach will involve:

- GESI Mainstreaming: The goal of mainstreaming is to prioritise GESI as an integral part of the design, implementation, monitoring and evaluation of SEP. A GESI lens will be applied to all activities with a focus on partnerships through the Challenge Fund. For e.g., every Challenge Fund partnership will have a target number of beneficiaries from these groups, and continuous monitoring will be done to enable all partnerships to adapt and respond to changing conditions, including under and overperformance. This is discussed further below.

- GESI Targeted Interventions: GESI targeted interventions will be specific activities aimed at women, PWDs, and DAGs to enable them to participate in and benefit equally from programme efforts. For example, certain Challenge Fund projects and programme efforts will be solely focused on reaching these groups.

Figure 18: Twin track approach to gender equity and social inclusion
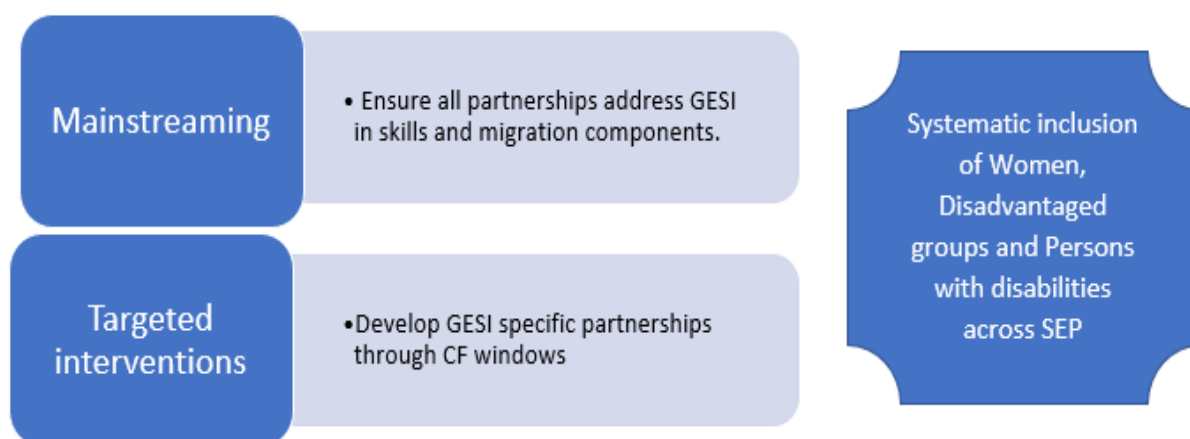
The process of mainstreaming GESI through the twin track approach follows the same processes of the overall SEP:

1. GESI Strategy:
   - GESI analysis will be incorporated into the problem analysis being undertaken across the skills and migration components

- GESI specific analysis will be undertaken to identify specific challenges
2. GESI Manual:
    - GESI analysis of proposed models will be undertaken as part of the model-development process
    - CF windows for skills and migration will include GESI as part of the selection criteria and performance management frameworks
    - GESI specific CF windows will be developed targeting specific challenges
    - MEL will incorporate GESI relevant indicators to match the targets

Annex 2. Investment Decision Making Criteria in Detail.

Table 17. Investment Decision Making Criteria in Detail (questions)

IDP	Questions
Sector Level	
Problem analysis	• What is the general context in skills and or migration (prompt: political, economic, social, technological, legal, ethics, etc), and how do these relate to the problems identified in each of the sectors? • What are the problems face by organisation? • How does the proposal address the sector skills or migration problems as defined by SEP? • How relevant is SEP investment to local and national needs and priorities?
Market Failure	• Does the potential partner's proposal address market failures? • What problems faced by individuals and organisations across the sectors (e.g. imperfect information, externalities, market control, public goods, trade barriers) is being addressed? • What skills and migration related market failure causes are being addressed? • How will the organisation and intervention improve the skills or migration market failure that is being addressed?
Broader Goals (quantity)	• To what extent will the intervention contribute to SEP targets (i.e. number of beneficiaries, increase in income/productivity for individuals; upskilling migrants to increase income; increases in remittances; reduction in the cost of remittances; and or improved use of their re-investment)? • How will things contribute to either 20% increase in income for individuals, increase in productivity for firms, improvement in remittances; reduction in the cost of remittances; and improved use of their re-investment)? • How is improvement in productivity being defined across the sector?
Project Level	
Additionality	• Would the project go ahead without SEP support? • Would the project happen more quickly with SEP support? • Does it benefit or introduce innovation to the wider industry? • Is the proposal seeking funding or technical support that they otherwise would not have access to? • Does the proposed pilot project complement the work of others? • If SEP doesn't invest, how will the organisation address the skill needs?
Eligibility	• Does the project meet the six criteria in the DFID Subsidy Policy Framework? • Does the project consider minimum standards of the applicant to deliver the project (e.g. due diligence via management, governance, financial health, human resourcing, safeguarding and protection, marketing, provision of decent work, etc)? • Does the organisation have the right resource and are able to comply with the requirements of the SEP? • What is the Organisation's legal status? • What is the Work-plan? • What is the organisation's Budget & contribution to the project? • What is the organisation's commitment to CLS?

	• Does the proposal have confirmation & signature?
Potential impact	• To what extent will the intervention contribute to SEP goals and targets (i.e. number of beneficiaries, increase in income/productivity for individuals; upskilling migrants to increase income; increases in remittances; reduction in the cost of migration; and or improved use of remittances)? • What is your analysis of the market failure you seek to solve? • What is the possible impact on poor people - are there likely to be improvements in livelihoods (jobs, income) and opportunities? • Are the applicants demonstrating the reasoning/causation argument that links the value proposition to the reach and outcome targets? • Who are your target groups and why they haven't received skills? • Does the development intervention contribute to reaching higher level development objectives (preferably, overall objective)? • What are the likely impacts in the first two years, and thereafter, of the intervention? • What course of action will be supported after two years? • What could be the potential reach through a scaled-up project? • Why do you believe your pilot project and your proposed interventions are likely to be successful? • What evidence is there that forecasts success of the pilot project? • What is the impact or effect of the intervention in proportion to the overall situation of the target group or those effected? • To what extent has SEP achieved its outcomes (Comparison: targets vs results)?
Evaluability	• Is the MEL adequately defined, and the project sufficiently able to be evaluated? • Is there an ability to undertake impact assessments to inform triggers as to whether the programme ought to be scaled)? • What processes do projects have to evaluate their model? • What resources (staff, funding, etc) are present in the organisation? • What capability is present within the organisation? • What capability needs to be built in the organisation to evaluate the project? • Is there a baseline data? If not, how will the project get baseline data?
Inclusion	• To what extent are women, disadvantaged groups, and people with disabilities included in the design, implementation and impacts/benefits of the intervention? • Does the intervention mainstream or specifically target women, DAGs, PWD, and how? • How does the intervention consider gender (40%), disadvantaged groups (30%) and or persons with disabilities (10% for Skills)? • What will be done to ensure access, and mitigate barriers and burdens?
Innovation	• How is your approach to skills development innovative? • To what extent are the models new or unfamiliar with appropriate learning channels (i.e. adoption, adaptation or invention of new concepts)? • Does the proposal demonstrate that the model to deliver the value proposition is either new to Nepal, or scaling up an existing 'successful' model that is experiencing constraints to scale-up/replication? • What is hindering the scale up of an existing successful model in Nepal?

66	• Does the proposal identify why those constraints occur and whether SEP can overcome them leading to sustainable benefits?
Intervention	• What is the solution they are proposing to an identified problem? • What are the main activities you intend to undertake under this pilot project? • What value proposition is the project offering? • How does the value proposition respond to the problem analysis and market failures? if not, does it respond to a problem/market failure that applicant identifies and is this backed up by evidence? • To what extent is the hypothesis of the intervention likely to succeed? • Are different solutions proposed to market failure that is being addressed? • What is the need for piloting these kinds of project? • Geographically, where your project activities will be focused? • What are your growth aspirations after your pilot project intervention?
Leverage	• What resource (financial, capital, human resource) is being invested in the projected? • What is the extent of resources which are leveraged into the programme? • How much financial support is being requested? • Why can't the organisation leverage other existing resources?
Scalability	• To what extent is there potential for the interventions to be scaled up (into policy), out (into new geographies), deep (across broader issues), or ripple (into new institutions)? • To what extent is there potential for the interventions to be scaled up to reach a sizeable proportion of the target of 90,000 Nepali youth? • Will the intervention be able to disseminate the finding of the interventions to promote diffusion and disseminate to support replicability and scalability? • What wider public good will the potential models provide? • Does the project enable a greater pool of workers to be trained, as opposed to focusing solely on those workers currently employed by the businesses? • Has the proposed model been evaluated for potential to scale up?
Sustainability	• To what extent are the interventions systemic such that the benefits are likely to endure beyond SEP financing? • How will the pilot project will be sustainable, including any potential income generation or self-financing? • What is your ambition for the programme? • What business model is in place for potential projects beyond SEP? • Who pays for the longer-term implementation of the project? • What is the ongoing demand for training? • Are the positive effects or impacts sustainable? • How is the sustainability or permanence of the intervention and its effects to be assessed?
Value for Money	• What are the direct and indirect resources being leveraged (co financing, in kind contribution, cost-effectiveness in terms of cost to project versus potential benefit)? • What plan of action is presented for the objectives to be achieved economically? • How efficiently were resources utilised (Comparison: resources applied – results)? • How cost-effective is the approach in comparison to other approaches?

	• What will be the total cost to SEP and partners?
	• What are the total benefits to individuals, households, firms, and society both direct and indirect?

Annex 3. Challenge Fund Expression of Interest Assessment Rubric
Skills Challenge Fund EOI Stage

Challenge Fund Expression of Interest (EOI) Assessment Rubric
Review applicant's Concept Note against the following rubric

Name of reviewer	Date of review

Applicant Eligibility	No	Yes
A legally registered entity in Nepal		
Financially stable, with two years of unqualified audited accounts.		
Has adequate human resource to implement the intervention		
Has adequate skill training facilities, a training curriculum, skilled training human resource (only for Skills component application)		
The Applicant is eligible to submit an EOI (all the eligibility criteria should be fulfilled/Yes)		

Criteria	Performance Score					Weightage (%)	Score	Justification for Score
	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)			
Problem Analysis: Has the applicant provided a clear context and an analysis of the problem?								
Alignment with Market Failure: Does the applicant's solution address market failure as defined by SEP?								
Alignment with outcomes: Does the solution contribute to achieving one or more of SEP's outcomes? (20% increase in income for individuals, increase in productivity; improvement in remittances; reduction in the cost of remittances; and improved use of their re-investment)								
Contribution to targets: Is the immediate, and potential future reach of the solution, in line with SEP beneficiary								

targets?									
Best practice: Solution demonstrates the potential to scale best practice?									
Innovation: Solution present innovation to solving identified market failure?									
Additionality: The solution is additional to what the applicant would have done									
Scalability: There is potential for scaling up (larger beneficiary), out (new locations / businesses), deep (broaden), ripple (new sectors)?									
Total (Sum of score x weighting)									
General Comments									

Applicant Status		No	Yes
The applicant is encouraged to submit a full application (The minimum score required for submitting a full application is 50)			

CRITERIA	1	2	3	4	5	Min Score
Alignment with problem and ToC **Does the applicant's EOI address at least one of the market failures defined by SEP**	The EOI does not address the identified sectoral skills problem and causes, including whether it is targeting skills gaps in the existing workforce (post-employment), or filling skills gaps through pre-employment. The EOI does not align with the skills ToC. The EOI doesn't provide a viable skills partnership, and/focuses on one business and not the wider public good.	The EOI addresses the identified sectoral skill problem and causes in a cursory manner. The EOI has minimal alignment with the skills ToC. The viability of the proposed skills partnership is questionable, as is the extent to which it contributes to the wider public good. Overall, the applicant requires a high level of rework to the EOI, with SEP support.	The EOI adequately addresses the identified sectoral skill problem and causes. The EOI has adequate alignment with the skills ToC. The viability of the proposed skills partnership is adequate, as is the extent to which it contributes to the wider public good. Overall the applicant requires a moderate amount of review to the EOI, with SEP support.	The EOI satisfactorily addresses the identified sectoral skill problem and causes in a cursory manner. The EOI shows considerable alignment with the skills ToC. It is likely that the skills partnership is viable, and there is a good chance that the partnership contributes to the wider public good. Overall the applicant requires a small amount of refinement to the EOI, with SEP support.	The EOI clearly addresses the identified sectoral skills problem and causes, including whether it is targeting skills gaps in the existing workforce (post-employment), or filling skills gaps through pre-employment. The EOI aligns with the skills ToC. The EOI provides a viable skills partnership that contributes to wider public good.	3
Alignment with outcomes **Does the EOI contribute to achieving one or more of SEP's outcomes?**	The EOI does not demonstrate how it will: • reduce skills gaps in the existing workforce, or new entrants, in the key sectors • Increased personal income (target 20%) and/or increase productivity (target 20%) There is no logic to the EOI.	The EOI minimally demonstrates, how it will reduce skills gaps, and increase income and/or productivity. The logic of the EOI is unclear, and/or has major flaws and significant assumptions that are unlikely to hold true.	The EOI adequately demonstrates how it will reduce skills gaps and increase income and/or productivity. There is the basis of a logic behind the EOI, which needs further refinement.	The EOI satisfactorily demonstrates how it will reduce skills gaps and increase income and/or productivity. There is a good logic behind the EOI's means to increase income and/or productivity, and the assumptions are generally acceptable.	The EOI clearly demonstrates, in a robust, logical manner, how it will: • reduce skills gaps in the existing workforce, or new entrants, in the key sectors • Increased personal income (target 20%) and/or increase productivity (target 20%)	2
Contribution to targets **Is the immediate, and potential future reach of the EOI, in line with SEP targets?**	The reach of the pilot, and the potential reach, is limited (≤5%), in terms of contribute to meeting the SEP overall targets (45,000),	The reach of the pilot, and the potential reach, will minimally contribute (5-9%) to meeting the SEP overall targets	The reach of the pilot, and the potential reach, will moderately contribute (10-14%) to meeting the SEP overall	The reach of the pilot, and the potential reach, will considerably contribute (15-20%) to meeting the SEP overall	The reach of the pilot, and the potential reach, will significantly contribute (≥20%) to meeting the SEP overall targets (45,000), of	2

	of which 22,500 women, 13,500 DAGs, 4,500 PLWD.	(45,000), of which 22,500 women, 13,500 DAGs, 4,500 PLWD.	targets (45,000), of which 22,500 women, 13,500 DAGs, 4,500 PLWD.	targets (45,000), of which 22,500 women, 13,500 DAGs, 4,500 PLWD.	which 22,500 women, 13,500 DAGs, 4,500 PLWD.	
Best practice & Innovation EOI demonstrates the potential to scale or replicate best practice or presents innovation (i.e. adoption, adaptation or invention of new concepts)	The EOI does not demonstrate best practice to scale or innovation (adopting, adapting or inventing new concepts) in the delivery model.	The EOI demonstrates minimal best practice to scale or innovation and is likely to go ahead without CF support in the next 12 months.	The EOI adequately demonstrates national or international best practice to scale, or innovation. The EOI is unlikely to be implemented in the next 12-18 months without CF support.	The EOI satisfactorily demonstrates national or international best practice to scale, or innovation. The EOI is unlikely to be implemented in the next 19-24 months without CF support.	The EOI clearly demonstrates that it either brings best practice to scale or demonstrates innovation (adopting, adapting or inventing new concepts) in the delivery model that leads to sustainable and scalable delivery. and is unlikely to go ahead in the next 24 months or more without CF support.	2
Additionality EOI demonstrates the additional activity to what the applicant would have done (*The principle of 'additionality', decrees that money should go only to projects that would not have gone ahead with normal public-sector funding*)	The EOI does not demonstrate additionality, and there are already examples of the EOI in Nepal.	The EOI demonstrates minimal additionality and is likely to go ahead without CF support in the next 12 months	The EOI adequately demonstrates additionality. The EOI is unlikely to be implemented in the next 12-18 months without CF support.	The EOI satisfactorily demonstrates additionality. The EOI is unlikely to be implemented in the next 19-24 months without CF support.	The EOI clearly demonstrates additionality and is unlikely to go ahead in the next 24 months or more without CF support.	2
General comments						

Annex 4. Challenge Fund Full Application Assessment Rubric

Review applicant's proposal against the following rubric

Name of reviewer	Date of review

Applicant eligibility:
A legally registered entity in Nepal.
Financially stable, with two years of unqualified audited accounts.
Is a training provider / company?
Has adequate skill training facilities, a training curriculum, skilled training human resource
Recognized training provider or background in providing training
Project plan (similar to a business plan)
Training provider company –

YES ☐   NO ☐

CRITERIA	1	2	3	4	5	Weightage (%)	Score	Justification of score
Market Failure: Address identification of skills or migration related causes that do not lead to a rational outcome for the market. How these identified market failures are being addressed?								
Targets: Identify the number of beneficiaries that will be reached through the intervention.								
Intervention: Ability to respond to identified skills or migration problem with the potential in producing desired and lasting change								
Additionality: Can provide additional outcome as a result of the intervention								
Innovation:								

Demonstrate innovative delivery mechanism or best practice to scale with appropriate learning channels, that would not occur in near future.								
Eligibility: financially viable to deliver the project deliverables.								
Potential Impact: Potential contribution to achieve SEP goals and outcome targets								
Inclusion: Can ensure active participation of women, disadvantaged groups (DAGs) and persons with disabilities (PwDs)								
Leverage: Partner organisation can provide financial, capital, and human resource investment in the programme								
Evaluability: Presence of adequate monitoring, evaluation and learning structures that can be sufficiently used to evaluate the project design and conduct impact evaluation								
Scalability: Potential to scale up activities and provide a wider public good								
Value for Money: Potential to utilises evidence-based choices to maximise the impact of each Nepalese rupee spent on programme activity								
Sustainability: Can promote a project to be systemic and endure the benefits beyond the initial intervention timeline and after CF								
Total Score								

Annex 5. Challenge Fund Performance Assessment Rubric

The CF project will be assessed based on a performance rubric, similar to the rubric that was developed for considering the application as per the investment decision making criteria. This would have more of an emphasis on the achievement of targets however.

Criteria	Performance Score					Weighting
	1	2	3	4	5	(%)
Market Failures: Degree to which the theory of change is addressing the market failures?						X%
Alignment with Goals: If successful, would the project contribute to the goals of SEP (e.g. 20% increase in income for individuals, increase in productivity for firms, improvement in remittances; reduction in the cost of remittances; and improved use of their re-investment)						
Potential Impact: The number of beneficiaries (reach) and the likely impact (dosage).						
Innovation: To what extent is the concept innovative (i.e. adopting, adapting or inventing new concepts)?						
Scalability: Potential for scaling up (policy), out (new locations / businesses), deep (broaden), ripple (new sectors).						
Value for Money: The amount of co-financing provided by the partners, and particularly the cost to potential benefit ratio.						
Inclusion: The degree to which gender, disadvantaged groups and or people with disabilities are included.						
Sustainability: The likelihood that benefits will continue to endure beyond the programme.						
Evaluability: The ability to evaluate the intervention and ensure that indicators / targets are able to be assessed.						
Applicant: The applicant is able to demonstrate minimum standards to deliver the project.						
Total (Sum of score x weighting)						
General Comments:						
The application will be forwarded for review to the Independent Review Committee?						Yes/No

Annex 6. DFID SEP Theory of Change

Figure 19: DFID SEP Theory of Change

Theory of Change for DFID Nepal's Skills for Employment Programme
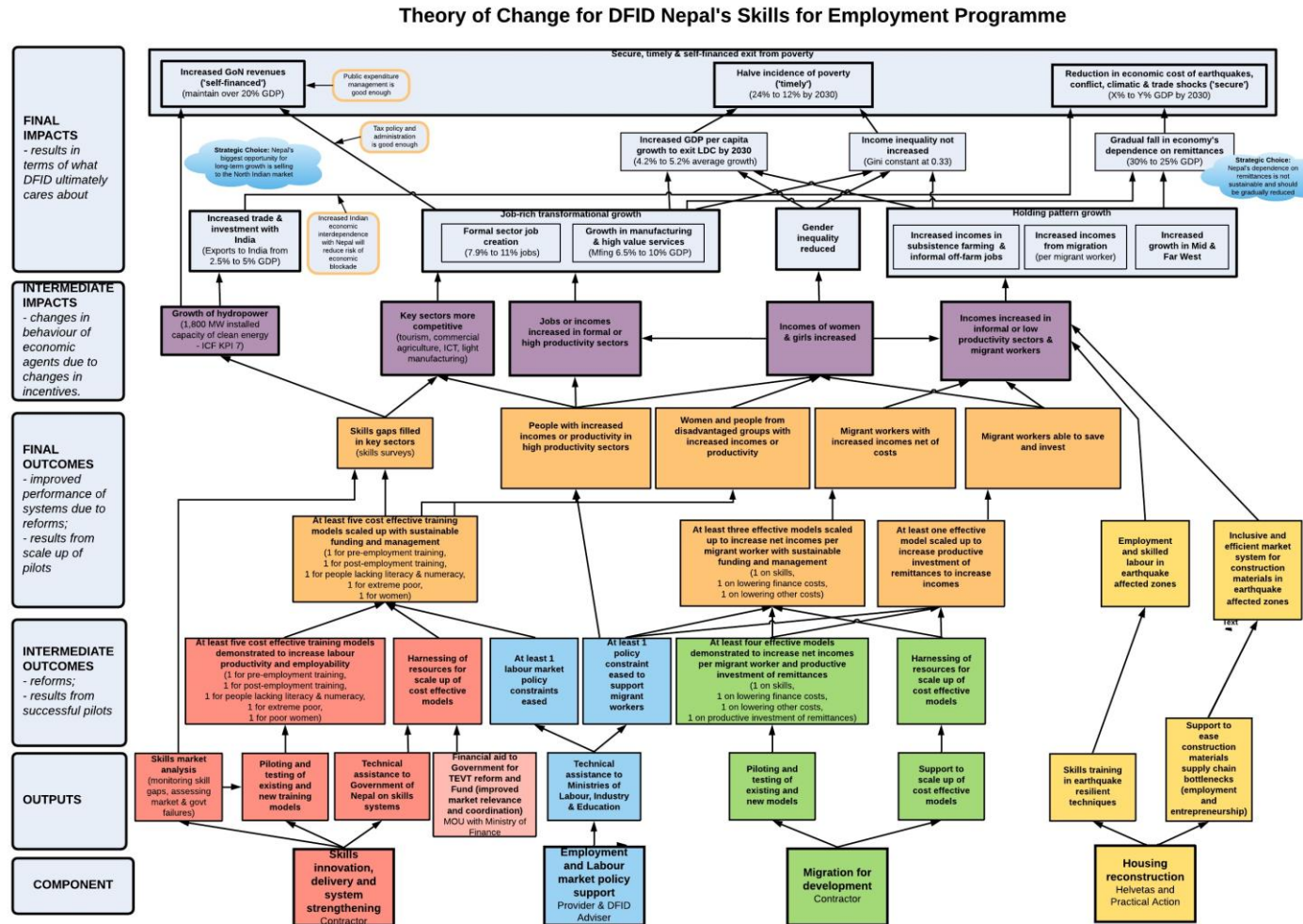
Annex 7. SEP Log frame

The following logframe represents information presented in the ToCs, key evaluation question and data matrix (Table 9) and component MELPs. It provides key outcomes and indicators to track and report to DFID to inform their logframe.

	Indicator	Target	DFID SEP Logframe Alignment
End of Programme Outcomes			
Nepal skills system strengthened	• Instances of policy or systems improvement from SEP • Number of public-private partnerships entered in by targeted Provinces • Number of sector skills strategies in targeted provinces • Number of SEP models replicated external to SEP funding (public sector) • Number of SEP models replicated external to SEP funding (private sector) • Instances of increased investment in workforce skilling as a result of SEP		Output indicator 1.5 Output indicator 1.3
Business productivity increases by 20% (for already-employed beneficiaries)	• Number and % of businesses reporting increased productivity from skilling already-employed workers, and extent of increase – categorised <5%, 5-10%, 11-15%, 16-20%, >20% (*productivity indicator to be set by each company relevant to their context*)	All participating businesses taking part in upskilling workers have 20% increase in productivity	
Beneficiary income increases by 20% (for pre-employment beneficiaries	• Average beneficiary income before training and 12 months after completion • Number & % of beneficiaries reporting increased income	All pre-employment beneficiaries have 20% increase in income on average	
Beneficiaries are gainfully employed (45,000)	• Number of beneficiaries (disaggregated) entering employment (full time, contract) at or above min. wage	45,000 Nepali youth in gainful employment or income generating activity	Impact Indicator 1

	• Number of already employed beneficiaries remaining in their workplace, moving into higher income role within same employer, or moving to new employer at or above min. wage • Number of beneficiaries (disaggregated) commencing or joining income-generating activity at or above poverty line		Output indicator 1.2
Annual income from migration net of costs increases by 20% on average	• Number and percentage of beneficiaries reporting increased income net of costs categorised <5%, 5-10%, 11-15%, 16-20%, >20% • Average annual income increase	Migrant income net of costs increases by 20% on average	Impact indicator 4
Increased savings and/or investment of remittances	• Number and percentage of migrant households reporting increased savings and or investments • Examples of investments		Output indicator 2.3
End of Component (skills) outcomes			
Employer & sector skills gaps filled	• % employers reporting skill gaps filled • Number of Nepali youth who successfully complete pre or post-employment training, by sector		Outcome indicator 1 Output indicator 1.1
Increased livelihood opportunities	• # & % beneficiaries with new income generating opportunities		Impact Indicator 1
End of Component (migration) outcomes			
Migrants spend less on migration and associated costs	• Number of banking and financial products to reduce cost of migration created • Number of migrants taking up banking and financial products	Reduction of the interest rate on migration loans from (35-40%) to (15-18%)	Output indicator 2.2
Migrants increase their income	• Number of migrants who complete work skilling • Average increase in income following migrant skilling • Number of migrants reached through migration counselling	Increase the gross revenue by 40% after job skilling	Output indicator 2.1

Returned migrants apply skills acquired abroad in Nepal	• Number of migrants reached through migration counselling	The number of migrants reached increases by 20%	Output indicator 2.2
Migrant households increase their savings	• Number of financial products per household increases • Number of migrants and/or migrant household members who complete financial literacy training	The number of financial products per household increases at least by 2 products	Output indicator 2.3
Migrant households increase productive investments	• Migrant households, women and DAGs, share of savings and investments increases		Output indicator 2.3
Outputs			
Skills Challenge Fund run	• Number of applications received • Number of applications taken to prototype • Number of applications funded for piloting, by window and model • Number of applications funded for scale-up, by window and model	At least 5 cost-effective skilling projects scaled up with sustainable funding and management (pre and post-employment, low literacy/numeracy, extreme poor, PwD)	Outcome indicator 2
Migration Challenge Fund run	• Number of applications received • Number of applications taken to prototype • Number of applications funded for piloting, by window and model • Number of applications funded for scale-up, by window and model	At least three projects scaled up for reducing costs and increasing income, and one for increasing savings and investment	Outcome indicator 3
Technical Assistance provided to Federal and/or Provincial Government	• Number of Technical Assistance provided, and scope of assistance •		Output indicator 1.5
Knowledge and communication products disseminated to GoN and industry stakeholders	• Number of knowledge products (e.g. case studies) produced and disseminated, and which audience • Number of communication products (e.g. newsletters) produced and disseminated, and estimated reach		

Annex 8. DFID SEP Log frame

Table 18: DFID SEP Log frame

<table>
<tr><td colspan="11" style="text-align:center">Skills for Employment in Nepal Programme</td><td></td></tr>
<tr><td>IMPACT</td><td>Impact Indicator 1</td><td></td><td>Baseline</td><td>Milestone 1</td><td>Milestone 2</td><td>Milestone 3</td><td>Milestone 4</td><td>Target 2022</td><td colspan="2">Assumptions</td></tr>
<tr><td rowspan="4">More productive and equitable vocational skills and migration sectors improving the livelihoods of poor Nepalis</td><td rowspan="4">Number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship (SDG indicator 4.4)</td><td>Planned</td><td>Current situation</td><td></td><td></td><td></td><td></td><td></td><td colspan="2" rowspan="4">The government can maintain macro-economic stability. Political stability, the investment climate allows the economy to grow and create jobs.</td></tr>
<tr><td>Achieved</td><td style="background:#ccc"></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td colspan="6" style="text-align:center">Source</td></tr>
<tr><td></td><td colspan="6">Central Bureau of Statistics/SDG reporting</td></tr>
<tr><td></td><td>Impact Indicator 2</td><td></td><td>Baseline</td><td>Milestone 1</td><td>Milestone 2</td><td>Milestone 3</td><td>Milestone 4</td><td>Target 2022</td><td></td><td></td></tr>
<tr><td></td><td rowspan="4">Formal jobs as a % total jobs</td><td>Planned</td><td>Current situation</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>Achieved</td><td style="background:#ccc"></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td colspan="6" style="text-align:center">Source</td><td></td><td></td></tr>
<tr><td></td><td></td><td colspan="6">Central Bureau of Statistics</td><td></td><td></td></tr>
<tr><td></td><td>Impact Indicator 3</td><td></td><td>Baseline</td><td>Milestone 1</td><td>Milestone 2</td><td>Milestone 3</td><td>Milestone 4</td><td>Target 2022</td><td></td><td></td></tr>
<tr><td></td><td>Tourism (T), manufacturing (M), high value services (S) and commercial agriculture (CA) as % GDP</td><td>Planned</td><td>Current situation</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

		Achieved								
			Source							
			Central Bureau of Statistics							
	Impact Indicator 4		**Baseline**	**Milestone 1**	**Milestone 2**	**Milestone 3**	**Milestone 4**	**Target 2022**		
	Increased net income from migration (incomes minus costs)	**Planned**	Current situation (average cost/incomes)							
		Achieved								
			Source							
			National data/project surveys							

OUTCOME	Outcome Indicator 1		Baseline	Milestone 1: June 2017	Milestone 2: November 2017	Milestone 3: end pilot phase	Milestone 4: end scale up phase	Target 2022	Assumptions	
Young people, especially women and disadvantaged groups gainfully employed with higher wages and improved working conditions.	Number of people with improved employment outcomes (improved skills, employability, increased incomes) due to programme interventions	**Planned**	NEET rate Nepal	2000	7500	TBC	TBC	100,000	The government can maintain macro-economic stability. Political stability and the investment climate allows the economy to grow and create jobs. Potential migrant workers can be attracted by domestic jobs and salaries.	
		Achieved			7500					
			Source							
			Delivery Organisations: LBG, ILO, Helvetas, and Practical Action.							

	Outcome Indicator 2		Baseline	Milestone 1	Milestone: end inception phase	Milestone: end pilot phase	Milestone: scale up phase	Target 2022		
	Number of sustainable training models piloted and scaled up for increased incomes or productivity (20%)	Planned	0	Procurement of contractor complete (July 2018)	Skills demand survey and assessment within inception report identifies potential sustainable training models to be tested and piloted (Dec 2018)	At least 5 training models piloted and tested for domestic market (June 2020) Training systems prepared for scale up (June 2020)	At least 3 training models (cost effective, market relevant sustainable) scaled up (December 2020)	3 sustainable models to continue beyond programme activities		
		Achieved								
			Source							
			Delivery Organisations: LBG							
	Outcome Indicator 3		Baseline	Milestone 1	Milestone 2	Milestone 3: end pilot phase	Milestone 4: end scale up phase	Target 2022		
	Number of sustainable migrant skills, savings and remittance investment models piloted and scaled up	Planned	0	Procurement of contractor complete (July 2018)	Migration survey within inception report identifies sustainable migrant skills, savings and remittance investment models (Dec 2018)	At least 5 models piloted and tested for migration market (June 2020) Systems prepared for scale up (June 2020)	At least 3 training models (cost effective, market relevant sustainable) scaled up (December 2020)	3 sustainable models to continue beyond programme activities		
		Achieved								
			Source							
			Delivery Organisations: LBG							
	Outcome Indicator 4		Baseline	Milestone 1	Milestone 2	Milestone 3:	Milestone 4:	Target 2022		

	Number of major constraints to job creation and improved working conditions.	Planned	High level of trade union disputes. Poor functioning of the labour market. No consensus on the labour law and social security. Private sector facing skills gaps.	PEA by TA provider identifies major constraints to job growth in Nepal. (July 2018)	At least one constraint eased (July 2019)	At least two constraints eased (July 2020)	At least 3 constraints eased	3 constraints to labour market eased		
		Achieved								
			Source							
			Delivery Organisations: ILO, LBG							
OUTPUT 1	**Sub-Output**	**Output Indicator 1.1**		**Baseline**	**Milestone 1: July 2018**	**Milestone 2: End of inception phase: Dec 2018**	**Milestone 3: End of pilot phase**	**Milestone 4: End of scale up phase**	**Target (2022)**	**Assumption**
Skills, innovation, training delivery and systems strengthening.	**1.1 Skills innovation and training delivery (Supplier)**	Number of beneficiaries trained (at least 50% of trainee women and at least 30 % from disadvantaged groups) with at least 20% increase in income or firm productivity. At least 70% in export or growth sectors identified in the TOR.	Planned	Note: Need to measure baseline firm productivity and income/assets of individual beneficiaries.	Procurement milestones: Technical review of SQQ (Sep 2017) Technical review of ITT (Jan 2018) Supplier selection and post tender clarification (Mar 2018) Contract award (July 2018)	Skills demand survey in growth sectors (October 2018) Innovative models identified (November 2018) Inception phase report (Dec 2018)	TBC at end of inception	TBC at end of inception	At least 45000 Nepalese trained for employment in the domestic market.	Private sector is willing to co-invest in training models. Openness from GON to integrate learnings from tested models to public sector training models.
			Achieved							
			Source							

				Delivery Organisations: LBG					
		Output Indicator 1.2		**Baseline**	**Milestone 1**	**Milestone**	**Milestone**	**Milestone**	**Target (2022)**
		Number of previously unemployed people in employment 6 months after training complete	**Planned**		TBC at end of inception phase				TBC in inception phase
			Achieved						
			Source						
		Output Indicator 1.3		**Baseline**	**Milestone 1**	**Milestone**	**Milestone**	**Milestone**	**Target (2022)**
		Number of private sector organisations investing in sustainable training models due to programme activities.	**Planned**	0	TBC at end of inception phase: include targets for post programme activities.				
			Achieved						
			Source						
				Delivery Organisations					
		Output Indicator 1.4		**Baseline**	**Milestone 1**	**Milestone**	**Milestone**	**Milestone**	**Target (2022)**
		Number of mechanisms or services developed to support and institutionalise labour market brokering linkages and gainful employment of trainees.	**Planned**	0	TBC at end of inception phase				
			Achieved						
			Source						

					Delivery Organisations				
		Output Indicator 1.5		**Baseline**	**Milestone 1**	**Milestone**	**Milestone**	**Milestone**	**Target (2022)**
		Number of coordination initiatives with ILO, other DFID programmes (EPI, Sabaala, A2F) and other donor initiatives	**Planned**	0	TBC at end of inception phase				
			Achieved						
				Source					
IMPACT WEIGHTING (%)	**Sub-Output**	**Output Indicator 1.5**		**Baseline**	**Milestone 1**	**Milestone**	**Milestone**	**Milestone**	**Target (2022)**
35%	**1.2 Support to Government of Nepal**	Number of mechanisms developed to share private sector employment demand and training requirements with GON and public training providers.	**Planned**		TBC at end of inception phase				
			Achieved						
				Source					
					Delivery Organisations				
		Output Indicator 1.6		**Baseline**	**Milestone 1**	**Milestone**	**Milestone**	**Milestone**	**Target (2022)**
35%		Level of GON satisfaction with programme.	**Planned**		GON approval of project document and establishment of Steering Committee (September 2018)	TBC following approval of project document			

			Achieved								RISK RATING
					Source						M
					Interviews with GON as part of Annual Review						
INPUTS (£)		**DFID (£)**		**Govt (£)**	**Other (£)**			**Total (£)**		**DFID SHARE (%)**	
			11.5								
INPUTS (HR)		**DFID (FTEs)**									
			0.3								
OUTPUT 2	**Sub-Output**	**Output Indicator 2.1**		**Baseline**	**Milestone 1: July 2018**	**Milestone 2: End of inception phase: Dec 2018**	**Milestone 3: End of pilot phase**	**Milestone 4: End of scale up phase**	**Target (2022)**	**Assumptions**
Outgoing migrants receive skills support and access to formal financial services and returnee migrants receive support and additional skills to invest their remittances.	2.1 Support to training migrants to increase incomes overseas (Supplier)	Number of migrants receiving training for increased incomes based on destination employer demand (at least 33% women and at least 40% from disadvantaged groups) with a salary increase of at least 20%.	**Planned**		Procurement milestones: Technical review of SQQ (Sep 2017) Technical review of ITT (Jan 2018) Supplier selection and post tender clarification (Mar 2018) Contract award (July 2018)	Migration corridors and profiles mapped. Migration models for skills training, savings and remittance investment identified, designed for testing and piloting (November 2018) Inception phase report (December 2018)	TBC at end of inception phase	TBC at end of inception phase	tbc (share of 45000)	Government still sees the need to skill migrants. Demand for migrant workers from destination states continues and can be facilitated into semi-skilled occupations.
			Achieved							
				Source						
				Delivery organisations						

		Output Indicator 2.2		Baseline	Milestone 1: July 2018	Milestone 2: End of inception phase: Dec 2018	Milestone 3: End of pilot phase	Milestone 4: End of scale up phase	Target (2022)	
	2.2 Expanding access of formal financial services to migrants (Supplier)	Number of migrants receiving access to formal financial remittance transfer, savings and investments products and services due to programme interventions	Planned	0	tbc inception phase				tbc (share of 45000)	
			Achieved							
			Source							
				Evaluation						
IMPACT WEIGHTING (%)		Output Indicator 2.3		Baseline	Milestone 1			Milestone 2	Target (2022)	
35%	2.3 Providing access to training and finance for migrant returnees (Supplier)	Number of migrants investing their remittances productively in Nepal (livelihoods, self-employment, more productive agriculture)	Planned	0	tbc inception phase				tbc (share of 45000)	
			Achieved							
			Source							RISK RATING
				Survey						H
INPUTS (£)		DFID (£)		Govt (£)	Other (£)			Total (£)	DFID SHARE (%)	
INPUTS (HR)		DFID (FTEs)								
		0.2								

OUTPUT 3	Sub-Output	Output Indicator 3.1		Baseline	Milestone 1:	Milestone 2	Milestone 3	Milestone 4:	Target (March 2018)	Assumptions

				Baseline	Milestone 1	Milestone 2	Milestone 3	Milestone 4:	Target (March 2018)	
3.1 Earthquake-resilient construction skills training given to affected home owners and wage labourers.	3.1 Skills for reconstruction: mason training and house construction in earthquake districts (Helvetas)	Number of youths trained on earthquake-resilient construction technologies.	**Planned**	0	Revised MOU with NRA (December 2016)	Procurement of T&Es (March 2017)	Training commencement (March 2017)	Training completion for all 7500 (September 2017)	7500 (6500 masonry including 33% women and 1000 carpentry)	NRA delivers grant and or home owners have sufficient finance to re-build homes. Beneficiaries complete training. Appropriate engineering oversight can be provided both to the training and the application of the training to housing construction. Demand for reconstruction building continues.
			Achieved		Achieved in January 2017	Achieved in March 2017	Achieved March 2017	Achieved September 2017	6494 masons (including 33% women) and 1030 carpenters	
				Source						
				Delivery Organisations: Helvetas						
		Output Indicator 3.2		**Baseline**	**Milestone 1**	**Milestone 2**	**Milestone 3**	**Milestone 4:**	**Target (March 2018)**	
		% of graduates continuing working in the trained occupation or started building own or others 'houses or gainfully employed (Earning NRs 58,200 in 6 months after training completion or	**Planned**		Revised MOU with NRA (December 2016)	Procurement of T&Es (March 2017)	Training commencement (March 2017)	M&E verification 6 months after training completion (March 2018)	At least 80% graduates continue working in the same occupation and gainfully employed	
			Achieved		Achieved in January 2017	Achieved in March 2017	Achieved March 2017	Achieved March 2018	Achieved. 80% found to be gainfully employed.	
				Source						

				Baseline	Milestone 1	Milestone 2	Milestone 3	Milestone 4:	Target (2018)	
		having constructed their own house)					Delivery Organisation: Helvetas			
		Output Indicator 3.3		**Baseline**	**Milestone 1**	**Milestone 2**	**Milestone 3**	**Milestone 4:**	**Target (2018)**	
		Number of houses rebuilt on earthquake resilient technology	**Planned**		Revised MOU with NRA (December 2016)	Procurement of T&Es (March 2017)	Training commencement (March 2017)	1300 houses built during training period (September 2017)	1300	
			Achieved		Achieved in January 2017	Achieved in March 2017	Achieved March 2017	Achieved September 2017	1,300 houses during the training and 1,694 houses post training	
						Source				
						Delivery Organisations: Helvetas, beneficiary feedback				
3.2 Interventions to ease the demand and supply constraints in construction materials	3.2 Access to finance and training for entrepreneurs and workers in earthquake affected districts to reduce gaps between supply and demand of construction materials and support employment (Practical Action)	**Output Indicator 3.4**		**Baseline**		**Milestone 1: (Dec 2016)**	**Milestone 2 (Dec 2017)**	**Milestone 3 (June 2018)**	**Target (Dec 2018)**	
		No of people employed directly and indirectly through the supply chain due to programme interventions	**Planned**			Supply chain demand and supply assessment and models for intervention identified (Dec 2016)	514 (80 direct, 434 indirect) (30% female)	1400 (219 direct, 1181 indirect) (30% female)	2515 (direct-394 and indirect 2121) (30% female)	
			Achieved							
						Source				
						Delivery Organisations: Practical Action				
		Output Indicator 3.5		**Baseline**			**Milestone 1 (Dec 2017)**	**Milestone 2 (June 2018)**	**Target (Dec 2018)**	

		Number of entrepreneurs adopting new technologies for producing and improving the quality of construction materials	**Planned**				60	120	135	
			Achieved				Achieved	Awaiting reporting		
			Source							
			Delivery Organisations: Practical Action, beneficiary feedback							
		Output Indicator 3.6		**Baseline**			**Milestone 1 (Dec 2017)**	**Milestone 2 (June 2018)**	**Target (Dec 2018)**
IMPACT WEIGHTING (%)		Number of existing employees with increased income by 70%	**Planned**				210	300	300	**RISK RATING**
			Achieved				Achieved	Awaiting reporting		
			Source							
15%			Delivery Organisations							M

INPUTS (£)		**DFID (£)**		**Govt (£)**	**Other (£)**			**Total (£)**	**DFID SHARE (%)**
		5mn							
INPUTS (HR)		**DFID (FTEs)**							
		0.1							

OUTPUT 4	Sub-Output	Output Indicator 4.1		Baseline	Milestone 1: July 2018	Milestone 2: July 2019	Milestone 3: July 2020	Milestone 4: July 2021	Target 2021	Assumptions
Improvements to laws, regulations, systems, innovation or coordination in Employment policies, skills and migration.	4.1 Technical assistance to GON on employment policies at different spheres of GON (ILO)	Number of programme supported TA initiatives to ease constraints to job creation/employment policy implementation and coordination at different spheres of GON.	Planned	Coordination mechanism not in place. Government in talks about establishing National Employment Authority.

Limited coordination between ministries. No coordination mechanism among workers, employers, government at different levels, development partners and other stakeholders. | Technical Assistance concept note finalised defining project support to MOLESS employment summits and PM's employment fund (July 2018). National consultant for first chapter of Political Economy Analysis hired (February 2018). First chapter of Political Economy Analysis completed (May 2018). Contract signed with national consultant for remaining chapters of Political Economy Analysis (July 2018). Political Economy Analysis for two further themes finalised (July 2018). | Political Economy Analysis completed for a total of 12 themes. Toolkit for pro-growth planning developed (July 2019).

Consultation on concept note (August 2018)

Technical support for 8 summits (one in each province and one national level) (July 2019).

At least three Technical Assistance initiatives delivered to strengthen and implement Government policies for job growth at different levels of Government. | At least three Technical Assistance initiatives delivered to strengthen and implement Government policies for job growth at different levels of Government (July 2021). | At least two Technical Assistance initiatives delivered to strengthen and implement Government policies for job growth at different levels of Government (July 2021). | At least eight Technical Assistance initiatives delivered to strengthen and implement Government policies for job growth at different levels of Government (July 2021). | Ability for programme support to be directed at all spheres of government (not curtailed by a Federal Ministry). Political will on employment creation continues. Policy making is done on the basis of evidence and research. Ministries are willing to coordinate. |
			Achieved							
				Source						
				Delivery organisations: ILO						

		Output Indicator 4.2		Baseline	Milestone 1: July 2018	Milestone 2: July 2019	Milestone 3: July 2020	Milestone 4: July 2021	Target 2021	
		Number of programme-supported job creation strategies reflected in the plans of selected municipalities with multi-stakeholder consensus.	Planned	Limited evidence on job creation through sector specific interventions. No consolidated plan of action for job creation available at local and provincial levels.	Local and provincial governments for Programme support identified (July 2018) Concept note for technical assistance designed for local level employment strategies drawing on PEA thematic areas and the toolkit for pro-growth strategies (July 2018).	Local and provincial Governments consulted for needs assessment (August 2018). MOU agreements with local and provincial governments. Tripartite dialogues held to strategically prioritise recommendations. Technical assistance begins for implementation of pro-growth strategies.	At least two programme-supported strategies for job creation reflected in plans and budgets of selected municipalities.	At least two additional programme-supported strategies for job creation reflected in plans and budgets of selected municipalities.	At least four programme-supported strategies for job creation are reflected in plans and budgets of four municipalities in two provinces (July 2021).	
			Achieved							
				Source						
				Delivery organisations: ILO						
		Output Indicator 4.3		Baseline	Milestone 1: July 2018	Milestone 2: July 2019	Milestone 3: July 2020	Milestone 4: July 2021	Target 2021	
	4.2 Technical assistance to reduce industrial disputes through implementation of labour law and social security act (ILO)	# of labour disputes in project locations.	Planned	Baseline Assessment to be developed in project locations to determine number of labour disputes	Recommendations within the industrial relations assessment complete and shared with social partners for consultation (July 2018).	Consultations on industrial assessment (September 2018) Baseline Assessment in project locations to determine number of labour disputes	At least five additional enterprises implement measures to improve industrial relations.	Performance evaluation available for all participating enterprises.	Reduction by 25% in labour disputes in project locations.	

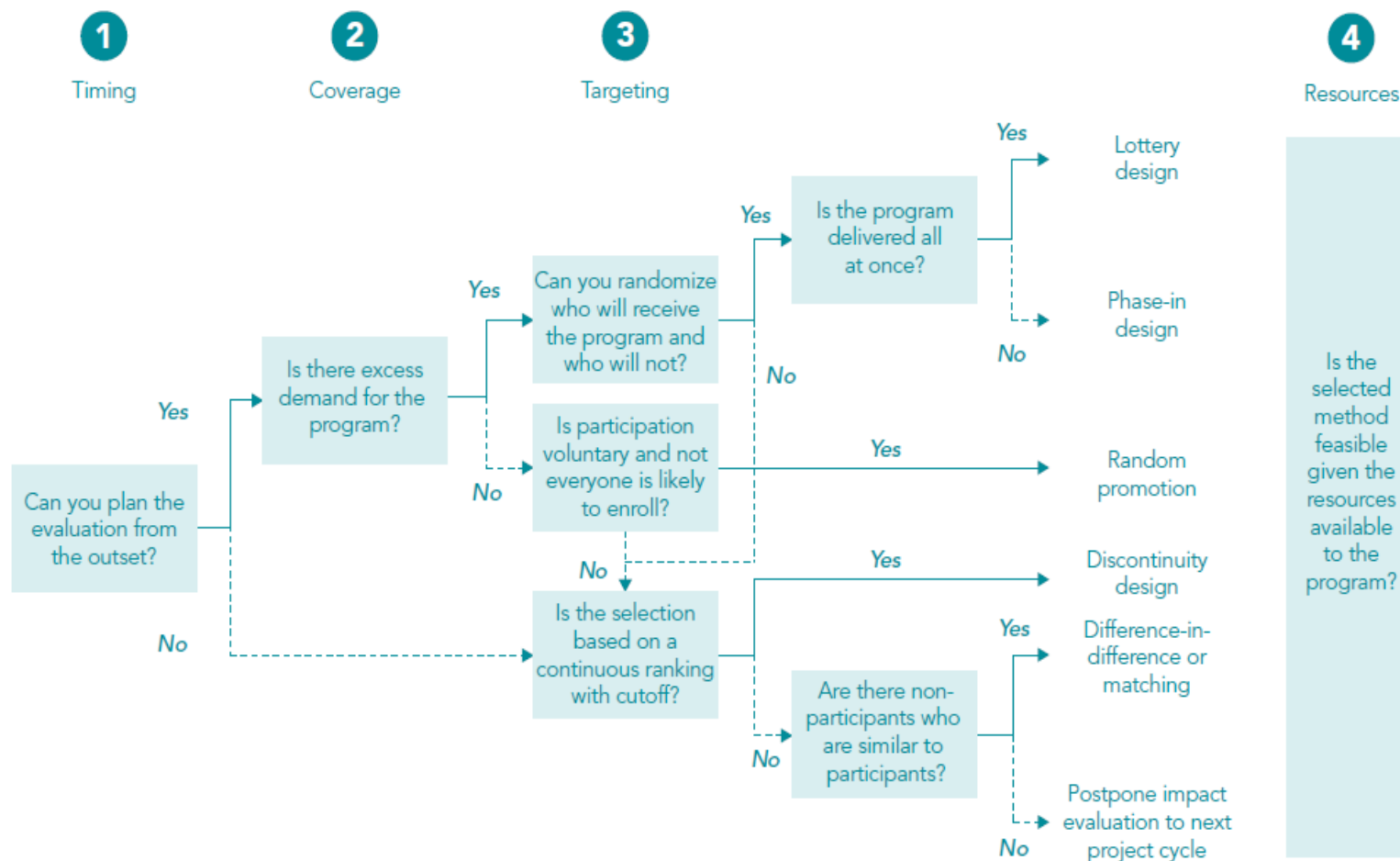|									
				(February 2019)		(February 2019). Workers and employers engage with programme-delivered awareness campaigns. At least three enterprises implement measures to improve industrial relations.			
			Achieved						
				Source					
				Delivery organisations: ILO					
	4.3 Support to national laws, regulations, policies, and standards that enhance the governance of foreign employment	**Output Indicator 4.4**		**Baseline**	**Milestone 1: July 2018**	**Milestone 2: July 2019**	**Milestone 3: July 2020**	**Milestone 4: July 2021**	**Target 2021**
		# of ILO recommendations incorporated in draft FEA.	**Planned**	The amended draft FEA 2007 is with the MoLESS for discussion.	Priority areas for amendment of FEA identified (May 2018).	Project facilitates at least three strategic consultations with MoLESS, MoL and other relevant governmental and non-governmental stakeholders to provide technical inputs on FEA revision.	N/A (to be completed by Feb 2019)	N/A (to be completed by Feb 2019)	At least four ILO recommendations for amendment incorporated in draft FEA (Feb 2019).
			Achieved						
				Source					
				Delivery organisations: ILO					

		Output Indicator 4.5		Baseline	Milestone 1: July 2018	Milestone 2: July 2019	Milestone 3: July 2020	Milestone 4: July 2021	Target 2021	
		Number of provinces and local governments supported to develop policies and programmes for improving migration governance and services to migrants	**Planned**	Currently no services (policies and programmes) available for migrants at provincial level.	Contract signed with Social Science Baha and workplan finalised (March 2018). Concept note for technical assistance to provincial and local governments developed drawing on the Political Economy Analysis on migration (July 2018).	Consultations with local and provincial Governments on TA support concept note (August 2018) Technical Assistance to local governments in four Provinces to extend services to migrants and their families.	Local government in at least two Provinces develop policies and programmes for migrants and their families.	Local government in at least two Provinces allocate budget to provide services to migrants and their families as per policy / programmes.	At least two Provinces and local governments have a budget and plan to provide services to migrants.	
			Achieved							
		Source								
		Pilots and Government of Nepal								
	4.4 Support to GON to identify, forecast and access labour markets with effective bilateral governance mechanisms	Output Indicator 4.6		Baseline	Milestone 1: July 2018	Milestone 2: July 2019	Milestone 3: July 2020	Milestone 4: July 2021	Target 2021	
		Number of new BLAs and MoUs signed according to international labour standards and best practices supported by the programme	**Planned**	General Agreement with Jordan, Qatar; MoUs with Bahrain, the Republic of Korea, UAE and Israel. BLAs with Saudi Arabia,	TA concept note for technical drafting of MOUs based on international standards (July 2018).	TA and social dialogue facilitated by project.	Continuous advocacy with Government of Nepal (MoLE, MoFA) to establish implementation mechanisms. TA on negotiating	TA and social dialogue facilitated by project specifically linked to output 4.2 for niche markets. Action plan and follow	Technical Assistance provided to Government of Nepal by project to increase government capacity to draft, negotiate and enter into and implement at least two BLAs	

				Malaysia and Kuwait are planned.			and entering into BLAs	up to implement the BLA provisions	or MoUs (July 2021).	
			Achieved							
			**Source**							
			Pilots and Government of Nepal							

		Output Indicator 4.7		**Baseline**	**Milestone 1: July 2018**	**Milestone 2: July 2019**	**Milestone 3: July 2020**	**Milestone 4: July 2021**	**Target 2021**	
		Number of new higher income employment opportunities for Nepali migrants identified and scoped.	**Planned**	The majority of Nepali migrants are hired as low-skilled workers.	Technical assistance concept note designed based on consultations with MOLESS (July 2018)	Technical Assistance to FEPB/MoLESS to identify new labour markets/niche sectors in existing corridors begins (August 2018). Labour market assessment of emerging markets conducted.	Government plan to facilitate migrant workers access to identified niche market / corridor developed. Process and procedures set up.	At least one measure of plan implemented to facilitate access to identified niche market / corridor.	At least one niche market selected for the Government to initiate bilateral discussions (July 2020).	
			Achieved							

IMPACT WEIGHTING (%)			**Source**							**RISK RATING**
15%			Pilots and Government of Nepal							H

INPUTS (£)		**DFID (£)**		**Govt (£)**	**Other (£)**			**Total (£)**	**DFID SHARE (%)**	
		2.9M								
INPUTS (HR)		**DFID (FTEs)**								
		0.1								

Annex 8. RCT Flow Chart

Figure 20: Randomised control trial flow chart

Annex 9. Definitions of Key Terms
Table 19: Definitions of key terms

Term	Definition
Approach:	A set of principles, frameworks and good practice that guides actions to bring about change.
Asymmetric information	when one party in a market transaction – supplier or consumer – knows more than the other, this normally manifests when the seller of a good or service has greater knowledge than the buyer, which creates an imbalance of power in transactions and sometimes cause the transactions to go awry.
Beneficiaries	Individuals, groups, or organizations, whether targeted or not, that benefit directly or indirectly, from the SEP intervention which include youth of Nepal that includes women and disadvantaged groups, the employment creating private sector of Nepal, and the Government of Nepal.
Certification	Formal reorganisation of a process of making certain that an individual is qualified in terms of particular knowledge or skills.
Challenge Fund	A mechanism to engage with the private sector to leverage their resources, align their business objectives with social-economic development by co-investing in costly and risky projects with the aim to give access to services and products which benefit poor people on a commercially sustainable basis.
Competency	A set of skills linked with improved employability. Increase in competency leads to increase in capability to performance better for the organization which hires people with competency.
Disadvantaged Groups (DAG's) Dalit	People from the following Dalit Castes; A. Dalits: Hills (Kami, Damai/Dholi, Sarki, Gaine, Badi) B. Dalits: Terai (Chamar, Mushar, Dushad/Paswan, Tatma, Khatway, Bantar, Dom, Chidimar, Dhobi, Halkhor), Other Dalits
Disadvantaged Groups (DAG's) Janjati	People form the following Janjati groups; Disadvantaged Janjati A. Disadvantaged Janajati: Hills (Magar, Tamang, Rai, Limbu, Sherpa, Bhote, Sunwar, Balung, Byansi, Gharti/Bhujel, Kumal, Brahmu/Baraum, Pahari, Yakha, Chantal, Jirel, Darai, Majhi, Danuwar, Thami, Lepcha, Dura, Chepang/Praja, Bote, Gaine, Raji, Hayu, Raute, Kusunda,) B. Disadvantaged Janajati: Terai (Tharu, Dhanuk, Rajbansi, Tajpuria, Gangai, Dhimal, Meche, Munda, Santhal/Satar) Relatively Disadvantaged Janajati: (Newar, Thakali, Gurung)
Disadvantaged Groups (DAG's) Religious groups	People form the following religious groups; Religious Minority: Muslim/Churaute
Disadvantaged Groups (DAG's) Terai Caste	People from the following caste in Terai; Disadvantaged Terai caste: Non-Dalits (Yadav, Teli, Koiri, Kurmi, Sonar, Kewat, Mallah, Kalwar, Hajam/Thakur, Kanu, Sudi, Lohar, Nuniya, Kumhar, Haluwai, Badhi, Dhangad/Jhangad, Barai, Kahar, Lodh, Rajbhar, Bing/Binda, Bhediyar/Gaderi, Mali, Kamar, Panjabi/Sikh, Kishan, Koche, Dhunia, Pattharkatta/Kusdiya)

Decent Work	Opportunities for work that are productive and deliver a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. (ILO)
Digital literacy	The ability to use information and communication technologies to find, evaluate, create, and communicate information through writing and other forms of communication on various digital platforms.
Disadvantaged Groups (DAG's)	People who, by their gender, caste, ethnicity, location, are living in poverty and face additional barriers to accessing and benefiting from markets.
Disguised employment	It refers to any segment of the population not employed at full capacity, but it is often not counted in official unemployment statistics within the national economy. This can include those working well below their capabilities, those whose positions provide little overall value in terms of productivity, or any group that is not currently looking for work but is able to perform work of value.
Due Diligence Framework	Due Diligence Framework is a risk management tool that encompasses activities undertaken to assist the management team of the programme in obtaining assurance of a potential challenge fund applicant's capacity and capability to deliver.
Effectiveness	A measure of the extent to which program activities has achieved its objectives under program implementation/normal conditions.
Efficiency	A measure of how economically inputs (resources such as funds, expertise, time) are converted into results.
Employer	A person or organization that employs people
Employment Types	The ways in which an organisation can hire staff with different levels of wage and benefits. The following five employment types as per Nepal's New Labour Act (2074): 1 Regular Employment: Full time employment 2 Work Based Employment: for completion of certain work or rendering certain service 3 Time Bound Employment: employment for certain time period determined, 4 Casual Employment: employment for seven or less days in a month, 5 Part time Employment: employment for 35 or less hours in a week.
Ethical Recruitment	A migrant recruitment process where the recruiter ensure the following (i) No Fees: Ensure that workers do not pay any fees (in whole or in part) for recruitment, job placement or other parts of the employment process; (ii) Written Contract: All workers must be given a written contract in their own languages at the point of recruitment, that outlines their rights and responsibilities; and (iii) No Retention of Documents or Deposits: Do not keep or withhold any documents (e.g. original identification papers or passports), monetary deposits or other collateral as a condition of workers' employment.
Evaluation	It is an exercise that attempts to systematically and objectively assess progress towards and the achievement of an outcome.
Expression of Interest (EOI)	A method of showing interest from prospective partner organisation in applying for a Challenge Fund Investment in SEP's designed format.

Externalities	Factors that are external to the skill development market which has a positive or negative impact on Nepalese skills market such as policies (such as minimum wage), competition (such as labour from India), business model (such as outsourcing), among other factors.
Fair migration	Following the ILO established thirteen non-binding principles general principles on promoting and ensuring fair recruitment
Foreign direct investment (FDI)	Foreign direct investment (FDI) is a capital investment made by an enterprise or individual based in one country into business interests located in another country.
Foreign Migrant Workers	A person working in a country of residence but who is a citizen of another country.
Formal migration	(a) has been granted the requisite authorizations in respect of departure from his or her State of nationality or habitual residence and in respect of employment in another State where such authorizations are required, and (b) who complies with the procedural and substantive conditions to which his or her departure and employment in another State are subject.
Formal sector	Economy functioning through enterprises which are registered with the Office of Company Registrar in Nepal.
Formal worker	Workers having formal employment which means presence of social protection and presence of written contract.
Gainful employment	Increased gainful employment – defined as employment (formal, contract) where the worker receives consistent work and payment from the employer/client, or self-employment/income generation, where the worker is able to earn that meets the needs and allow some saving.
Gender	A socially constructed power relation between women and men that establish the roles, responsibilities, opportunities and decision-making authority of women and men in the society.
Gender Equality and Social Inclusion (GESI)	An approach that addresses unequal power relations experienced by people on the grounds of gender, wealth, ability, location, caste/ethnicity, language and agency or a combination of these dimensions. It focuses on the need for action to re-balance these power relations, reduce disparities and ensure equal rights, opportunities and respect for all individuals regardless of their social identity.
Human centre design	It is an approach to systems design and development that is built on learning directly from the users by understanding the perspective of the person who experiences a problem, their needs, and whether the solution that has been designed for them is truly meeting their needs effectively or not.
IDP - Investment Decision Making Principles	Investment Decision Making Principles (IDP) are conceptual guide for evaluation that provides guidance for the programme, particularly during the formative stage, to support the selection, progression and scale up of interventions.
IDP: Additionality	The principle of providing funding to projects that would not have gone ahead, or been scaled up, without catalytic funding. The 'additional' outcomes as a result of the projects.
IDP: Eligibility	The principle of providing funding to project that assures fulfilment of minimum standards of the applicant to deliver the project deliverables.

IDP: Evaluability	The principle of providing funding to project that has adequate monitoring, evaluation and learning structure in the project design to make it sufficiently able to be evaluated.
IDP: Impact:	The principle of providing funding to project that assess the extent the project contributes to SEP goals and targets.
IDP: Inclusion	The principle of providing funding to project that ensures active participation of men, women, disadvantaged groups (DAGs), and persons with disabilities (PwDs)
IDP: Innovation	The principle of providing funding to project that promotes use of model with innovative delivery mechanism with appropriate learning channels.
IDP: Intervention	The principle of providing funding to project that prompts solution to identified problem that combine multiple, complementary strategies are typically the most effective in producing desired and lasting change.
IDP: Leverage	The principle of providing funding to project that promotes private sector financial, capital, and human resource investment in the programme.
IDP: Market Failures	The principle of providing funding to project that address identified skills and migration related causes that does not lead to rational outcome for the market.
IDP: Scalability	The principle of providing funding to project that assess the extent of the potential project to scale up, scale out, or scale deep.
IDP: Sustainability	The principle of providing funding to project that promotes project to be systemic and endure the benefits beyond the project timeline.
IDP: Value for money	The principle of providing funding to projects, which utilises evidence-based choices to maximise the impact of each Nepalese rupee spent on programme activity.
Income Generating Activities	Income Generating Activities (IGAs) consist of small businesses managed by a group of people to increase their household income through diversification of livelihood.
Income increment	An increase in overall base pay of a person. It may be due to any economic activity undertaken due to skills training program activities.
Increases in income	An increase in the salary given to an employee or which increases the person's discretionary income.
Industry: Large Industries	An industrial enterprise having the fixed assets of more than NPR 150,000,000 (one hundred fifty million)
Industry: Medium Scale Industries	An industrial enterprise having the fixed assets of more than NPR 50,000,000 (fifty million) to NPR 150,000,000 (one hundred fifty million)
Industry: Micro Enterprises	An enterprise with fixed capital not exceeding NRs. 200,000 working at local level utilizing local raw materials and labours with total employees not exceeding nine persons and electrical power consumption utilizing less than 10 KW
Industry: Small Scale Industries	An industrial enterprise other than those of micro enterprises and traditional and other cottage industries having the fixed assets of up to NPR 50,000,000 (fifty million)
Informal migration	(a) has not been granted an authorization of the State on whose territory he or she is present that is required by law in respect of entry, stay or employment, or (b) who has failed to comply with the conditions to which his or her entry, stay or employment is subject.

Informal sector	Economy functioning through the enterprises that are not registered with the Office of Company Registrar, Nepal. It comprises of enterprises of own-account workers and enterprises of informal employers, referring to the characteristics of the economic units in which the persons work: legal status (individual unincorporated enterprises of the household sector), non-registration of the economic unit or of its employees, size under 5 permanent paid employees, at least some production for the market. (ILO)
Informal worker	workers having informal employment which is usually defined by the absence of social protection or non-payment of social contribution (mainly health coverage) or the absence of written contract. It comprising all jobs carried out in informal enterprises as well as in formal enterprises by workers and especially employees whose employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severance pay, paid annual or sick leave…) because of non-declaration of the jobs or the employees, casual or short duration jobs, jobs with hours or wages below a specified threshold, place of work outside premises of employer's enterprise (outworkers), jobs for which labour regulations are not applied, not enforced, or not complied with for any other reason. (ILO)
Intervention	A work plan or project proposed by Investment Partner for co investment from Skills for Employment Programme.
Investment Application	A complete application from prospective partner organisation for a Challenge Fund Investment in SEP's designed format.
Investment Partners	Organization that SEP co-invests with in the pilot project or later in the scale-up phase.
Investment Window	Group of models with similar features which seeks co investment from Skills for Employment Programme.
Job	a set of tasks and duties carried out, or meant to be carried out, by one person for a particular employer, including self-employment. Set of skills
Job category	Grouping of jobs by similar scope and breadth to be used to distinguish employee benefit - leave, retirement- eligibility. As per International Standard Classification of Occupation (ISCO), the following are major job categories: 1 Managers 2 Professionals 3 Technicians and Associate Professionals 4 Clerical Support Workers 5 Services and Sales Workers 6 Skilled Agricultural, Forestry and Fishery Workers 7 Craft and Related Trades Workers 8 Plant and Machine Operators and Assemblers 9 Elementary Occupations 0 Armed Forces Occupations

livelihoods	Refers to means of securing necessities in life. In case of SEP, it refers to skills to improve entrepreneurship skills, small business management and support family trade (e.g. agriculture or handicrafts manufacturing).
M4P	M4P is an approach aimed at effectively and sustainably improving the lives of poor people by understanding and influencing market systems.
Making Markets Work for the Poor (M4P)	Market systems approaches, or Making Markets Work for the Poor (M4P), reduce poverty by enhancing the ways that the poor interact with markets. M4P is an approach aimed at effectively and sustainably improving the lives of poor people by understanding and influencing market systems.
Market distortion	Any transfer of resources which affects market competition by favouring certain firms, and can apply to both grants and concessional finance, which can lead to market failure.
MEL Framework	A framework that provides the overarching guidance on why and what will be monitored and evaluated, reporting arrangements, and how lessons from the MEL process will inform learning and continual improvement.
MEL Plan	A guidance document with detailed description of impact assessment framework for project selection related to challenge fund as well as comprehensive description collecting and reporting performance data throughout the duration of the project.
Migrant Service Provider	Any organization, business or individual which offers support service to migrants on pro-bono or in exchange for payment.
Migrant Worker	A person who migrates from Nepal to another with a view to being employed otherwise than on his own account and includes any person who is to be engaged, is engaged or has been engaged in a remunerated activity in a country other than Nepal.
Migrant Worker: Long Term	A migrant worker who is engaged in a remunerated activity in a foreign country other than Nepal for at least 12 months.
Migrant Worker: Short Term	A migrant worker who is engaged in a remunerated activity in a foreign country other than Nepal for between three (3) and 12 months.
Migration and associated costs	financial payment paid for migration associated with following headings - Recruiter /Job broker charges; Visa costs; Inland transportation expenses; International transportation; Passport fee; Medical fee; Insurance fee; Security clearance fee; Pre-departure briefing; Language training; Skills assessment fee; Contract approval fee; Exit approval fee; Welfare fund fee; Employer recruitment costs deducted from salary; Debt repayments.
Model	A pre-defined approach, existing or new, that guides actions to bringing about a desired result. For example, on-the-job training is a model for skilling workers. Multiple projects or interventions may be contained within a model and could be the basis for a challenge fund window.
Monitoring	It is a continuing function that aims primarily to provide ongoing intervention with early indications of progress, or lack thereof, in the achievement of results to the main stakeholders.

Multinational Corporation (MNC)	A multinational corporation (MNC) or worldwide enterprise is a corporate organization which owns or controls production of goods or services in at least one country other than its home country.
Occupation	A set of jobs whose main tasks and duties are characterised by a high degree of similarity.
Occupation	a set of jobs whose main tasks and duties are characterised by a high degree of similarity.
Orderly Migration	The movement of a person from his or her usual place of residence to a new place of residence, in keeping with the laws and regulations governing exit of the country of origin and travel, transit and entry into the host country.
Outcome	The short-term or medium-term effect of programme's outputs, such as change in knowledge, attitudes, beliefs, behaviours, increase in income.
Output	The direct results or deliverables of program activities, such as the number of people trained, number of training conducted.
Persons with Disabilities (PWDs)	People who have long-term physical, mental, intellectual or sensory impairments or functional impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others.
Piloting	The stage of an intervention that is being tested to assess its contribution to the outcomes. This stage requires impact evaluations to understand the effectiveness.
Plausible attribution	an approach to M&E which aims to balance credibility with practicality when assessing a programme's contribution to changes in growth, access and poverty reduction.
Poor	A person living below the Nepalese national poverty line of NRs19,261 per capita as defined in the year 2011.
Pre-employment Training	It is the training provided to recently graduated students during the period between schools and employment to improve their employability.
Productivity	It measures output per unit of input, such as labour, capital or any other resource. In SEP productivity refers to labour productivity growth which comes from increases in the amount of capital available to each worker (capital deepening), the education and experience of the workforce (labour composition) and improvements in technology (multi-factor productivity growth).
Productivity	A relationship between outputs and inputs. It rises when an increase in output occurs with a less than proportionate increase in inputs, or when the same output is produced with fewer inputs. (ILO)
Project	A concept, consisting of one or more interventions, put forward by a proponent for prototyping, pilot, and or scale up. This is generally the basis for contracting with partners.
Prototyping	Refers to a step, before piloting, to explore, test, learn about a product, process, or system in action. A prototype may be reviewed and adjusted and is often the basis for an intervention.
PWD Beneficiaries	Persons with Disabilities (PWDs) who have been part of SEP programme activities that has resulted in increase of their income.
Quality Training	Training conducted is of a standard that meets the industry's needs, conducted in a timely fashion, and assessed to agreed industry standards.
Quantity	Numbers of beneficiaries that will be reached and quantified benefits?

Recruiting Agencies	Any natural or legal person, independent of the public authorities, which provides one or more of the following labour market services: (a) services for matching offers of and applications for employment, without the private employment agency becoming a party to the employment relationships [that] may arise therefrom; (b) services consisting of employing workers with a view to making them available to a third party, who may be a natural or legal person (referred to as a "user enterprise"), which assigns their tasks and supervises the execution of these tasks; or (c) other services relating to job seeking, determined by the competent authority after consulting the most representative employers' and workers' organizations, such as the provision of information, that do not set out to match specific offers of and applications for employment (Private Employment Agencies Convention,1997 (No. 181)).
Regular Migration	Migration that occurs through recognized, authorized channels as well as not find themselves in an irregular situation after a certain period.
Regulated Market Certificate: Apprenticeships	The following apprenticeship programmes: (i) Apprenticeship programmes run by business and industries as mentioned in new Labour Law (2074); (ii) Council for Technical Education and Vocational Training (CTEVT) and its affiliated institutions provided Apprenticeships;
Regulated Market Certificate: SLC/SEE (General Education)	School Leaving Certificate/ Secondary Education Examination Certificate under Higher Secondary Education System organized by National Examination Board (formerly known as Higher Secondary Education Board) under Ministry of Education, Science and Technology.
Regulated Market Certificate: Technical and Vocational Certificates	The following Government of Nepal authority regulated technical and vocational programme certificates: (i) Council for Technical Education and Vocational Training (CTEVT) and its affiliated institutions provided technical and vocational certificates for regulated short term or long-term courses producing basis, middle and higher level technical human resources. (ii) National Skill Testing Board (NSTB) provided skill testing certificates (iii) Vocational Skills Training Certificates provided by Vocational Skills Development Training Centres (VSDTC) run under Ministry of Labour, Employment and Social Security (MOLESS) (iv) Vocational Skills Training Certificates provided by Cottage and Small Industries Training Centres under Department of Small and Cottage Industries (DSCI), Ministry of Industries, Commerce and Supplies (MOICS).
Regulated Market Certificate: University Degrees	Academic certificates/degrees provided by Government of Nepal recognized University and its affiliated institutions.
Regulated Skills Development Market System	A system, which need to go through certain governmental process and the certificates are nationally recognized.
Relevance	The extent to which the objectives of the project are consistent with beneficiaries' requirements, market failure needs and donors' policies.

Remittances	Includes current transfers in cash or in kind received by resident households in Nepal from other non-resident households or individuals. Also includes the social remittances, or the ideas, practices, social capital, and expertise acquired abroad.
Returnee Migrant Worker	A citizen returning to with the intention to permanently settle and work in their country of origin/citizenship after working aboard.
Rubric	A set of rules or coherent set of criteria that includes descriptions of level of performance quality on a given criteria to assess project activity.
Safe Migration	Migration that occurs through recognized, authorized channels without being in an unsafe situation
Scaling	The stage of scaling up (policy), scaling out (expansion), scaling deep (breadth) or scale ripple (new areas). This occurs after a pilot has been deemed successful and is seeking to expand.
Skill	The ability to carry out the tasks and duties of a given job.
Skill level category	Skill level category are based on complexity and range of the tasks and duties involved. There are four skill level categories defined by ISCO, which are the following: (a) The first ISCO skill level was defined with reference to ISCED category 1, comprising primary education which generally begins at the age of 5, 6 or 7 and lasts about five years. (b) The second ISCO skill level was defined with reference to ISCED categories 2 and 3, comprising first and second stages of secondary education. The first stage begins at the age of 11 or 12 and lasts about three years, while the second stage begins at the age of 14 or 15 and also lasts about three years. (c) The third ISCO skill level was defined with reference to ISCED category 5, (category 4 in ISCED has been deliberately left without content) comprising education which begins at the age of 17 or 18, lasts about four years, and leads to an award not equivalent to a first university degree. (d) The fourth ISCO skill level was defined with reference to ISCED categories 6 and 7, comprising education which also begins at the age of 17 or 18, lasts about three, four or more years, and leads to a university or postgraduate university degree, or the equivalent.
Skill: Basic/Foundation Skills	Foundation skills include the literacy and numeracy skills necessary for getting work that can pay enough to meet daily needs. These skills are also a prerequisite for continuing in education and training, and for acquiring transferable and technical and vocational skills that enhance the prospect of getting good jobs
Skills Gaps	The difference in the skills required on the job and the actual skills possessed by the employees.
Skills Market Stakeholders: Macro level	Market actors contributing significantly to Government of Nepal's (GoN) skills development plans.
Skills Market Stakeholders: Meso level	Employers' Associations, training providers associations, development partners and projects working in the field of skills development
Skills Market Stakeholders: Micro level	Firms and organizations, private and public training providers, business and industries including Micro and small enterprises.

Skills: Business/ Cross-Industry	Business/Cross-Industry skills include the ability to perform the following task: Project Management, Accounting & Finance, Small Business Management, Marketing, Sales, Public Relations, Human Resource Management, & Leadership
Skills: Core Work Skills	Core work skills include the ability to learn and adapt; read, write and compute competently; listen and communicate effectively; think creatively; solve problems independently; manage oneself at work; interact with co-workers; work in teams or groups; handle basic technology, lead effectively as well as follow supervision.
Skills: Technical/ Vocational/ Industry-specific	Specialised skills, knowledge or know-how needed to perform specific duties or tasks specific to an industry
Social Inclusion	Removal of institutional barriers and enhancement of incentives to increase access by diverse individuals, especially people from disadvantaged group of people, for development opportunities.
Target group	A subset of project stakeholders who are the targeted beneficiaries of programme activities.
Theory of Change (ToC)	A comprehensive description and illustration of how and why a desired change is expected to happen in a particular context. It explains how activities are understood to produce a series of results that contribute to achieving the final intended impacts.
Training Provider	An external training organisation that provide quality skills training assessment services.
Training model	A planned process to modify attitude, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or range of activities. The training models for SEP refer to the delivery models in terms of 'who' leads the training and 'who' funds the training programme. Three major categories of training models are: TM1-Employer/Industry-led training, TM2- Provider led training and TM3- Non-formal training.
Training model (TM1) - Employer/Industry-led training	TM1 Employer/Industry-led Training is a training programme whereby employer fully or partly funds the training, including in-kind such as time away from work.
Training model (TM2) - Provider led training	The TM2- Provider-led training is training programme whereby government fully or partly funds the training and learner fully or partly funds and includes full, part time, distance learning or RPL.
Training model (TM3) - Non-formal training.	The TM3- Non-formal training is training programme whereby freelancer and private individuals pays. Within the category, various models are identified with coding.
Under employed	People who work or have a job but were willing and able to change their current work situation in order to increase their duration or productivity of work.
Unemployed	People whose fall in one of the following three criterion, without work, currently available for work, and seeking work.
Unregulated Skills Development Market System	A system, which is based on targeting certain people and the certificates are not the part of national system
Validity	The extent to which the data collection strategies and instruments measure what they purport to measure.

Value for Money (VfM)	An approach of continuous improvement that provides a better understanding (and better articulation) of costs and results so that project can make more informed, evidence-based choices to maximise the impact of each pound spent on programme activity. (DFID)
Women Empowerment	A process of acquiring an ability to make strategic life choices in a context where this ability has previously been denied.
	Women's empowerment has five components, including both civil and political as well as cultural, economic and social dimensions:
	(i)women's sense of self-worth;
	(ii) their right to have and to determine choices;
	(iii) their right to have access to opportunities and resources;
	(iv) their right to have the power to control their own lives, both within and outside the home;
	(v) and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally.
Youth	Women, men and third gender persons aged 16 - 40 years old.

Annex 10 Reporting Template

Monthly snapshots are an opportunity for SEP to update DFID on progress. The reports should be brief – to make it simpler to prepare given the monthly cycle – knowing that more formal reflection and reporting (quarterly, six-monthly, annual) will offer opportunity for greater detail.

The information in these snapshots will provide useful evidence for those more detailed reflections and reports in future.

Snapshots should include dot points on key achievements, lessons learned (positive and negative), risks etc. as guided by the template:

The table below is a summary of the template which gives specific guidance for preparation of each slide.

Section	Guidance
Reporting period	Month covered by the reporting
Activities undertaken	Key activities undertaken at programme level
Challenge Fund	Challenge Fund applications received, funded; list of partners, disbursement % etc
Beneficiary Participation	Who did the program reach in the past month? (break-down by gender, disability, age, province – as appropriate) – dashboard figures
Key achievements	Key achievements at programme and project level
Key lessons	Positive and negative lessons learned
Risks	What new risks or threats emerged which may affect the likely success of future activities? What are the recommended actions to minimise these risks?
So, what should we do differently?	As a result of the monthly reflection documented in this Snapshot, what follow-up actions are recommended to improve activities and results?

SEP Monthly Progress Report Template

SEP: Monthly Progress Report

Month: _____ 2018

To be filled out by partner and sent one day ahead (by close) of the monthly meeting to p-prajapati@dfid.gov.uk, k-subba@dfid.gov.uk, s-pradhan@dfid.gov.uk

The report should be approximately 3 pages

Implementation plan	Planned actions for September	Achievements against planned action	Planned Actions for October 2018	Remarks
	•	•	•	
	•	•	•	
	•	•	•	
	•	•	•	
	•	•	•	

SEP monthly achievements

Challenges

Risks and mitigation

Finance
Please use this to inform us of any major changes in forecast, planned spend, risks.

Follow up on annual review recommendations

Progress against Actions Recommended in Annual Review			
Recommendation	Timeline to complete	Progress/Actions	Status
Add your AR recommendations here			

Key actions (to be agreed during the monthly meeting with DFID and partner)

Action	By when	Responsible

SEP Quarterly Progress Report Template

SEP Quarterly Progress Report

Name of Component	
Name of Organisation	
Reporting Period	

Summary

Key achievements (in the quarter)
•
•
Key challenges/risks (in the quarter)
•
•
Key lessons learnt (in the quarter)
•
•
Recommendations to DFID (if any)

Sub-Output 1: [   ]
Achievement of Payment Milestones

Payment milestones (in the quarter)	%	Evidence of completion	Proposed new deadline (if not 100% completed)

Progress towards Output Indicators

Output indicators	Progress towards it this quarter	Key delivery risks & how managing	Planned activities for next quarter (

Other work (not covered by milestones or indicators)

Lessons learnt & changes made to Theories of Change (revised ToCs should be annexed)

Sub-Output 2: [   ]
Achievement of Quarterly Milestones

Quarterly milestone	%	Evidence of completion	Proposed new deadline (if not 100% completed)

Progress towards Output Indicators

Output indicators	Progress towards it this quarter	Key delivery risks & how managing	Planned activities for next quarter

Other work (not covered by milestones or indicators)

Lessons learnt & changes made to Theories of Change (revised ToCs should be annexed)

(

Value for Money (VfM) (max ½ page)

Please note any key decisions that have been made informed by VfM considerations (to maximise Effectiveness, Efficiency or Economy), and any VfM savings that have been generated (if easy to calculate)			
.			
Economy -			Measurement
Efficiency -			Measurement
Effectiveness-			Measurement
Equity			Measurement

Direct Feedback from Beneficiaries (max ½ page)

What direct feedback have you collected from beneficiaries and what does this tell us about the project's performance?

Financial Reporting

Quarterly cumulative expenditure on each budget line. Monthly forecast for next quarter.		
Quarterly cumulative expenditure		
Description	Total Budget (GBP)	Quarterly Expenditure for period of _____
Expenses		
Total		

Monthly Forecast for Next quarter (_____)

Description	Month	Month	Month	Total
Milestone				
Personnel Fee				
Expenses				
Total				

Prepared by:……………………………… Position:…………………………

Signature:………………………………… Date:……………………………….

Annex 11 Story of Change (vignette)Template

Stories capture qualitive impacts from SEP and provide the 'human' element to reporting. The intention is to collect stories or vignettes to demonstrate changes which are often intangible. In addition, change is often cumulative, and stories collected over time (e.g. through sentinel households) provide evidence not just of change but of growth.

Date			
Component and Model		**Project**	
Notetaker			
Author of story			
Context			

Story Number (Story matrix)	
Why the story is exciting /noteworthy	

Story:

Suggest less than 300 words. Include quotes to enrich text – if appropriate.

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
External Context – Political, Natural Disaster, Environment and beyond Programme's Control	Political/ Legal and Regulatory Risks/ Risks related to Federalism The central government continues to hold the power and resources making it difficult to support provincial and local governments and businesses to carry out their functions and run their operations. Evolving government functions due	The programme is hopeful that uninterrupted activities will take place with little or no political disturbances, especially at the provincial level. The inception phase has begun engagements with the provinces, field trips to the priority provinces have taken place as part of the initial scoping exercise in September - November 2018. This is to better ensure that programme technical assistance is balanced across federal and provincial governments and is seen as empowering respective mandates. Observations and findings from this trip have fed into the programme's work plan which will be reviewed continuously to identify activities that are likely to be affected by any delays in implementation because of political disturbances, etc. The programme will keep a watchful eye on federal, provincial and local government level laws and ensure activities support the new functions and not reinforce the previous unitary government system. On skills - It recognises the role of municipalities in skills delivery and provincial government's role in coordination and implementing qualification standards, procedures and exams. On migration, it recognises the roles of municipalities in providing Information Services to migrants and provincial level to have a state policy on migration. Other anticipated changes in the TVET sector (related to federalism) have been identified and its effect on the programme explained below: Decentralization – If this were to happen in the true sense, the programme will have the opportunity to engage with the provincial level governments' efforts to introduce change in this sector through greater industry participation. TVET task force report on new TVET structure, TVET fund, Industry Trainee programmes – This is likely to lead to the Provincial governments determining the different structures and quality assurance system on skills development to suit their provincial needs. At the current time, the structure and the quality assurance system is developed at the centre and applied to different provinces.	Moderate/Team Leader, Deputy Team Leader

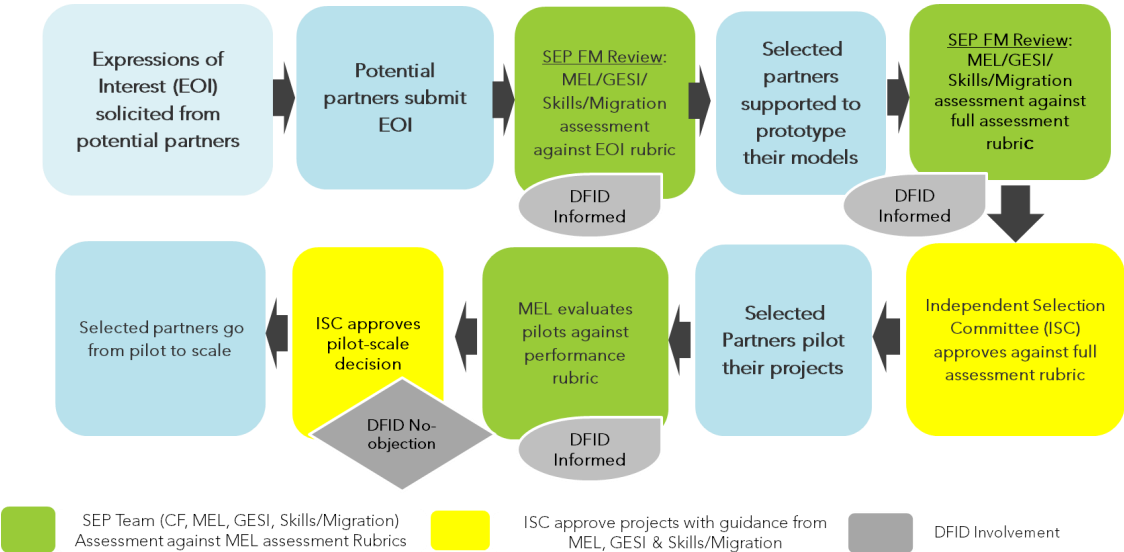|	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
	to federalism are not properly understood and implemented.	The new TVET umbrella act being conceptualized – Public TVET institutions will be under different structure, could be under MOE, Provincial Government or Local government. This is yet to be determined, the programme will have to work with the authorised entity in the legal government if there is an ambition to indulge in this space. Establishment of Public Technical Schools in each local government structure are being conceptualized – Although not fully applicable to SEP, it will be good to track this development to understand how some of the gaps in various industries are being addressed by the government. Establishment of Employment Service Centres in all 753 local governments – This is envisaged to begin in March 2019. The programme will need to link to ESCs at local government structure to explore ways to collaborate as it enters the implementation phase. Mapping of Private Technical Schools – New guideline will be developed for establishment of new private training provider. This exercise, when completed, will be useful for the programme in terms of deciding on any engagements with private training providers. As federalism rolls into practice, the programme will map the changes and regularly update DFID on its effects on the programme activities, if any. This will include identifying opportunities and entry points for engaging the government at the different provinces. Any engagement related to the new federal structure will only be done in consultation and approval from DFID. Further, these engagements will be guided, and programme activities aligned with the Government of Nepal, including federal and provincial governments, as laid by DFID in the principles of engagement.	
	Economic growth is forecasted at 6%. Economic	The challenges identified under programme partnerships, especially for the beneficiaries (such as lack of employment, cost of migration) will be identified and addressed by the programme in the implementation phase. This is expected to be achieved through an informed decision-making mechanism for the programme (such as design of a specific migration loan product targeting potential migrant workers and savings product for	Minor/DFID SRO, Team Leader, Deputy

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
	activities in the remote, rural districts might be affected and it may not be possible for activities to happen at a full scale due to various reasons – absence of labour, lack of financial access among others.	the migrant family, skills training, etc.). If there is a significant decrease in economic growth, the flexible and adaptive programming alongside the challenge fund enable some flexibility within the programme's scope to adapt and support the skills required in a new economic context (depending on the jobs available In Nepal or overseas).	Team Leader, Migration Component Lead
Delivery/Implementation / Operational risks	Institutional/ Programme Management Risks Activities are likely to be affected by flooding in the Terai region and landslides in hilly region during the monsoons. This may cause a	Currently in its inception phase, the programme is designing interventions and activities in the field have not taken place except for stakeholder engagements. During the next few months, the programme will continue to identify potential partners and stakeholders and engage with them to make an informed decision on the design of the programme activities. As part of the application process, the programme will require all applicants of the Challenge Fund to identify the risks and mitigation strategies. The programme will allow some flexibility to reallocate targets to another model If they are no longer possible in the location affected by the natural disaster. The Challenge Fund will use the MEL Framework to monitor planned activities in the approved work-plan against actual Implementation which has taken place. This will be done through formal quarterly and annual reporting as well as spot checks. In the implementation phase; the programme will identify activities that will have minimum exposure to different kinds of likely disturbances (for e.g. minimizing activities that require travel during the monsoons).	Minor/ Team Leader, Challenge Fund Director

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
	backlog and result in some catching up that will have to be done in the following few months.		
	Delays in approvals from the regulating authorities – e.g. GoN is likely to result in implementation delays.	SEP has already begun engagements to invest in establishing relationships with the government stakeholders. Along with DFID, the programme will seek to build a working relationship with government counterparts (in particular MoLESS), regulators and other key stakeholders as informed by DFID. This will assist/guide the programme in the implementation phase. SEP will ensure programme activities and Technical Assistance is aligned to Government policies and programmes to further minimize this risk. Mitigating Risks on managing project expenses Delivery and operational risks are defined as the risk of monetary losses because of faults and errors in process, technology or skills or due to external factors. It may also include other risks such as fraud, legal, physical, and environmental risks. These risks are identified and applied to the process of the programme so that the mitigation measures are built into the design of the partnerships, and are enabled to respond to different risks, including the ones that are prevalent for the partnerships to move from the pilot phase to the scale up phase.	Moderate/ Project Manager, Team Leader
	Risks on managing project expenses and other financial risks	The programme has identified ways to apply operational risk management; through formal models and frameworks, including establishing an ongoing partnership risk audit and control function that happens before, after and during a partnership. This is complemented by a partnership review management model that presents and highlights risks (present and future) to the leadership team on a monthly basis. Therefore, by identifying, documenting, analysing and assessing delivery and operational risks across the board, the programme can quickly get an understanding of current risk level and what needs to be done. Based on the information/ recommendation from the partnership review, risks are prioritized and mitigated on a tactical level by reducing	Team Leader, Deputy Team

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
		the most acute risks and planning for future risk reduction. This also enables the decision to be made along with course corrections during the move from the pilot to the scale up. Mitigating Financial Management Risks Financial Management: SEP programme management, Challenge Fund Manager, Administration and Finance Manager and Louis Berger will undertake financial control and monitoring measures of all funds disbursed under the Challenge Fund and other project expenses. These include: Mechanisms for the disbarment of funds to investment partners either in the form of advances or reimbursement against expenditure; advances will be protected by a bank guarantee. Mechanisms to review project expenditure against budgets to ensure SEP Challenge Fund funds and investment partners' resources have been spent in accordance with work plans. Actions to be taken when Challenge Fund financed projects run into difficulties; the Challenge Fund Manual has series of procedures in the case of handling problem projects; Regular internal audits by the Challenge Fund internal auditor, and formal annual audits of project expenditures; and Annual audit of all other project and operation expenses (including a third-party audit conducted by Louis Berger in Nepal). Louis Berger will establish a dedicated central accounting and financial control operation to manage the project expenses. This includes project expenses as well as SEP Challenge Funds monies for all projects. Along with the project manager, the Challenge Fund Manager will monitor expenditure against budgets to confirm that Investment Partners are utilising SEP Challenge Fund as well as their own resources in accordance with the approved applications; and will initiate action whenever problems occur. Louis Berger will draw down funds from DFID as required and manage all disbursements through the offices of the Challenge Fund Manager. Role of DFID	Leader/ Director Partnerships

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
	Role of DFID in decision-making, maintaining the independence of MEL, Independent Selection Committee (ISC), Checks and Balances	Within DFID, the SRO for SEP is responsible for SEP, including the Challenge Fund. As the operational management of SEP Challenge Fund has been contracted out, it is also for DFID-Nepal to contract and maintain contact with the SEP Team Leader, and through regular monitoring, ensure the contract is being implemented in accordance with contract terms and conditions. The SRO is responsible for agreeing and approving: policy, strategy and process recommendations developed by the SEP Leadership Team; publicity materials; membership of the pool of experts for the ISC; transparent decision-making processes; relationships between DFID Advisers and SEP; and windows of SEP CF that fall within the overarching objectives and log frame of SEP. DFID SRO shall be kept informed of the progress of SEP CF, notably: ideas being processed into applications; decisions of the ISC; applications that have been approved; and, progress of funded projects. The DFID SRO will provide their No-Objection to partnerships approved by the ISC. Role of MEL The role of MEL has been clearly identified and established as trigger points to decision-making in the various stages of the programme, including the decision to move ahead from the pilot to the scale up phase. Figure below depicts the different stages of checks and balances that occur within the different stages of the partnerships. Also, to ensure that MEL can maintain an acceptable level of independence when it comes to recommending decisions, the basic principles of assessment at different stages of the programme will be established. Figure below shows the assessment and approval process, and the involvement of MEL and DFID in that process, and how DFID will be kept informed. This completes the process wherein operational risks are minimized within the programme, with checks and balances in place to identify and mitigate operational risks, if any.	Team Leader, DFID SRO, MEL, CF Team

	Summary of Risk	Mitigating Actions			Overall Risks/Responsible Person(s)
		Expressions of Interest (EOI) solicited from potential partners	Potential partners submit EOI	SEP FM Review: MEL/GESI/ Skills/Migration assessment against EOI rubric — DFID Informed	Selected partners supported to prototype their models — SEP FM Review: MEL/GESI/ Skills/Migration assessment against full assessment rubric — DFID Informed

(Flowchart continued)

Selected partners go from pilot to scale ← ISC approves pilot-scale decision ← MEL evaluates pilots against performance rubric ← Selected Partners pilot their projects ← Independent Selection Committee (ISC) approves against full assessment rubric

DFID No-objection

DFID Informed

Legend:
- (green) SEP Team (CF, MEL, GESI, Skills/Migration) Assessment against MEL assessment Rubrics
- (yellow) ISC approve projects with guidance from MEL, GESI & Skills/Migration
- (grey) DFID Involvement

Independent Selection Committee

The Independent Selection Committee (ISC) is crucial to the operations of the SEP Challenge Fund to ensure its independence, objectivity and transparency. The objective of establishing the pool of experts for the ISC is to ensure that available SEP Challenge Fund funds are awarded to those applications that rank most highly against the criteria, and the overall objectives of SEP. The detailed functions and due process activities of ISC are contained in attached Terms of Reference for Independent Selection Committee. The composition of the pool will be proposed by the SEP Team Leader in consultation with, and approval of DFID.

The ISC will consist of a Chairperson and an even number of members, no less than two other members, so that the ISC quorum is at least three, who are respected in the field of business, economics, finance, and appropriate industry disciplines and will be selected from the pool, dependent on the nature of the applications. For applications which apply for larger sums, the membership should be expanded to at least five members.

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
Safeguards – Duty of Care, Environmental, Indigenous People	Social and Cultural Risks Exclusion faced by women, disadvantaged groups, poor and people with disabilities.	SEP's GESI strategy is being designed to incorporate cross cutting roles under each of the key outputs. This will enable the programme to address shortcomings, if any, at the time of initiation of the activity. The output teams will then continue to monitor the progress and report against the indicators. Where applicable, the programme will specifically design and facilitate products and Challenge Fund models aimed at imparting services to the women, PWDs and disadvantaged groups. In addition, every Challenge Fund applicant must state their policy and strategy to engage with a minimum number of women, DAGs and PwDs in their applications which will be judged by the Independent Selection Committee. This is explained in detail under the GESI analysis conducted for the skills and migration components of the programme. Also, there are targets being set in the programme design to specifically cater to and reach women, disadvantaged and poor groups, and people with disabilities. In addition, the programme will work with Sabalaa – DFID's women economic empowerment programme – to address additional constraints where relevant and possible. Mitigating risks on sexual exploitation, abuse and harassment The programme will focus on preventing and responding to harm caused by sexual exploitation, abuse, harassment or bullying. The aim is to minimize the likelihood and impact of these actions towards both the people the programme is trying to help, and people who are working in the sector. SEP is committed to applying the following principles in relation to safeguarding and expects its investment partners to apply these principles in their work and through their delivery chains. The safeguarding principles that will underpin all our due diligence are as follows: Everyone has a responsibility for safeguarding. Do no harm. Organizations have a safeguarding duty of care to beneficiaries, staff and volunteers, including where down-stream partners are part of delivery. This includes children and vulnerable adults in the community who are not direct beneficiaries but may be vulnerable to abuse.	Minor/ GESI Advisor, Team Leader, Deputy Team Leader, MEL
	Safeguarding on sexual exploitation, abuse and harassment including with		

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
	downstream partners	Act with integrity, be transparent and accountable. All activity is done in the best interests of the child/vulnerable person. A child is defined as someone under the age of 18 regardless of the age of majority/consent in country. All children shall be treated equally, irrespective of race, gender, religion/or none, sexual orientation or disability. Organizations that work with children and vulnerable adults should apply a safeguarding lens to their promotional communications and other activities. The above principles are also aligned with the UN Convention on the Rights of the Child (UNCRC). The due diligence approach of the programme will also reflect the assumption that all six areas mentioned below are relevant and achievable for all organizations and sets a benchmark of minimum standards that all programme partners, regardless of size or type, should aspire and work towards. First tier partners are reminded of their responsibility to ensure appropriate safeguarding standards have been cascaded down the delivery chain. This means that we expect the new enhanced standards to be applied throughout their delivery chains and we would expect to see evidence that the standards have been shared and that partners are clear about those expectations. Safeguarding: shape the organization's approach, practice and culture to ensure a comprehensively safe environment for all people that the organization engages with. Approved Investment Partners will be assisted in designing specific policies and code of conduct (based on the Bond templates). Whistleblowing allows concerns to be raised and resolved at the appropriate level. This includes a process that is clearly understood and accessible to all staff for dealing with concerns. Human resources will focus on recruitment and vetting processes to support the hiring of the right people. If a job role is to work with children and or vulnerable adults, then the recruitment process should address the requisite competencies needed. Risk management will consider the risk management framework of the partners which sets out the approach to risk, the risk appetite to guide risk identification and the assessment of safeguarding risks and promotes the use of risk registers. The code of conduct describes the ethics and behaviours required of all parties to ensure a robust safeguarding environment. It is designed to create a culture of best practice which all partners should adhere to.	

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
		Governance and accountability standards create, foster and ensure safeguarding through requisite controls and oversight. They identify the responsibility of those who are custodians of the organization's values ensuring people are put first. It is intended to increase the accountability of an organization; it is the way that the organization polices itself.	
Investment Risks	Reputational risk is the threat to meeting expectations that in turn precipitates a crisis. It is created when expectations are poorly managed and exceed capabilities, or when an investment partner simply fails to execute.	LBG emphasizes on strong ethical policies which are revised periodically to affirm that safety and risk management are the top strategic priorities for the programme. Risk management is another critical capability built within the company. LBG believes that an effective risk management approach which includes potential risk assessments, taking safety measures, and legal advice will help the programme stay ahead of growing threats that have the potential to undermine the programme. The sections below demonstrate how LBG will respond to specific risks identified in the Inception Phase of the programme. These will continue to be identified and updated in the Implementation Phase. The principles of investment will guide all engagements moving forward. The same will be a conceptual guide for evaluation of the programme and will provide guidance, particularly during the formative stage, to support the selection, progression and scale up of interventions. They are separated into sector level (principles that cut across industry sectors, predominantly at the meso and macro level) and project level (principles for designing and selecting individual interventions). Each partnership with the private sector, including the ones that are established under the migration component through the programme, will be aligned with DFID's Subsidy Policy Framework and asks the following questions: Is there a clear social-economic development rationale, and that co-investing with the private sector is an appropriate way to achieve the SEP development goals as well as providing value-for-money to the British taxpayer? This section will include the rationale for partnering with a for profit company for the 'greater good'. The greater good Is defined as the value addition of the partnership in relation to what the partner does (Innovation, outreach, employment, etc.) for the programme's target beneficiaries.	Moderate/ Team Leader, Deputy Team Leader, CF, MEL, Director Partnerships
	Private sector unwilling to co-invest in training, maintain	Does the investment demonstrate "additionality", and will it only provide funding to projects that would not have gone ahead, not been scaled-up, or would have been delayed without an appropriate catalytic investment from the SEP CF; and does it benefit or introduce innovation to the wider industry? "Additionality" here is the rationale for co-investment from the programme with a condition that It leads to bigger, better things for the sector, and (eventually) the industry. These includes innovation that may lead to expansion of services, or	

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
	payments over the life-cycle of the programme or discontinues their training investments after the programme ends.	creation of jobs, or income such as partnerships with BFIs to establish financial products to make available formal loans for migration which does not exist. Does the investment have the potential for a high level of socio-economic impact with commercial sustainability and is the investment time-bound and does the SEP CF investment in the pilot shows promise for up-scaling? This section covers the 'sustainability' aspect of the proposed partnership and whether the partner has means to self-finance the initiative in the event of delays, etc. Commercial sustainability of the partnership is also assessed during the due diligence of the partners that precedes all partnership signings and is directly linked to the preferred outcome of the same. Does the investment distort the market, does the investment subsidise the costs of services or products being delivered by the proposed project, does the investment improve efficiency, delivery and outreach; and, is the fund open to anyone to apply provided they meet the entity criteria described in each investment window? This section assesses the proposed model and whether it is aligned to the principles of M4P. Each model is assessed to ensure that it does not distort the market or result in unfair competition. Does the investment follow the principles of making markets work for the poor (M4P) – systemic market transformation, facilitation and sustainability and does the investment have strong MEL – that can monitor progress and deliver transformative solutions to address skills gaps and market failures? Does the investment facilitate alignment of the business objectives of the investment partner with the social development objectives of SEP programme? The commercial objectives have to align with the programme's objectives. While the partners will only pursue activities that are sustainable and commercially viable as the programme support is limited, the outcome of the partnership needs to reflect the programme's objectives (employment, increase in income, productivity, etc.). The programme will not encourage migration. However, the programme will work with various aspects of the migration chain to enable safer migration, increase access to formal loans by offsetting the informal lending market, lower the cost of remittance and design products and services in partnership with the Nepalese private and public sector to enable productive use of remittances. This includes working with the Migration Resource Centres (MRCs) to disseminate information on skills training, formal loans and recruitment agencies to facilitate fair recruitment practices. All interventions designed in the migration chain will not be standalone activities and will be carried out in partnership with relevant stakeholders in this space.	

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
	Programme is seen to be supporting private sector rather than the poorest or that the programme is supporting migration.	In order to minimize reputation and other risks, the programme will align its activities with the economic visions of the Government of Nepal – both at the central and in the provinces – to be able to collaborate and coordinate activities for better delivery while minimizing risks pertaining to be seen as abetting migration in Nepal. Mitigation of Financial Risks for Investment Partners Investment Partners will submit quarterly expenditure reports covering total project expenditure from all sources (SEP-CF, Investment Partner, and third parties - if any - to the Challenge Fund Manager who will undertake first line reviews and monitoring of expenditure against budget who, in turn, will report to Louis Berger. The Challenge Fund Manager is expected to verify all expenditure reports and initiate action if there are any concerns. This is discussed in further details in the Challenge Fund Policy and Operations Manual (Deliverable A3.1). Audits: Each applicant will ensure that its statutory auditor conducts an audit of all project expenditure annually and issues a certificate confirming the expenditure undertaken. Certification will cover all project expenditure from whatever source including the SEP Challenge Fund contribution and will designate such expenditure by source. The audit of project expenditure will take place as part of the normal annual audit of the Investment Partner, at their cost. The certificate of expenditure will be submitted to the Challenge Fund Manager who will, in turn pass on the certificate to Louis Berger. Certificates must be filed with Louis Berger no later than four (4) months after the Nepalese financial year end. Finally, Louis Berger will undertake an overall audit of the programme and submit the audit report annually to DFID until all SEP Challenge Fund disbursements are completed. The process of Up-scaling and mitigation of risks related to moving from pilots to scale up:	

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
	Financial Risk for Investment Partners	Pilot projects will be assessed against the investment decision making criteria, and those which look likely to achieve the targets of the pilot phase, but not necessarily has fully achieved them, will be encouraged to apply for additional investments by completing an additional application to scale the project. The SEP Technical teams will assist the applicant with drafting of the application, as before, and the final application will be presented to the Independent Selection Committee (ISC) for approval or rejection. The process is shown in the figure below. Selecting Challenge Fund projects to scale up Decisions on whether to keep, adapt or drop pilots will be based on the assessment of the performance of pilots against their individual MEL Plans and against the performance rubric. The assessment of CF projects against the performance rubric will consider the strength of evidence available. Decisions to scale-up pilots will require a moderate or strong strength of evidence.	

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
	Risks related to moving from pilots to scale up	The assessment will be first undertaken by the SEP team (first by MEL and followed by component leads) followed by members of the ISC. The assessment of selected pilots to take to scale will be presented to DFID for endorsement and outlined in a report to DFID at the end of the pilot phase. The table below illustrate the criteria for strength of evidence. Table: Strength of Evidence	

Evidence	Definition
Weak	Includes non-validated assertions, personal opinions and anecdotes. Weak evidence is not sufficient to rate an investment criterion satisfactory.
Moderate	Evidence derived from a more limited range of sources such as implementing partner reports, records of monitoring visits or records of discussions with partners and other stakeholders.
Strong	Evidence derived from multiple reliable sources, independent reviews/evaluations, quality assured monitoring data, implementing partner reports validated by monitoring trips, and independent research conducted in the sector.

Evaluation of Pilot Models

Evaluability assessments of all pilot models will be undertaken to identify what the most appropriate methodology is for evaluation of pilot models. While Randomised Control Trials (RCTs) provide the greatest rigour and statistical certainty on the attribution of causal inference (i.e., understanding the degree of change due to the intervention), there are limitations in terms of cost and data availability. Quasi Experimental Approaches (QEAs) provides a less costly and less data-intensive methodology, though the rigour is somewhat lower and still this may not be able to be applied in all circumstances. More details on these methodologies with consideration to the SEP design are outlined below. While the final methodology may vary, all pilot models will have some type of impact evaluation method.

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
		Randomised Control Trials RCTs will be used at the scale-up stage on one or two selected models (e.g., one migration model and one skills model) that are deemed to be innovative (e.g., new to Nepal) or that will answer a strategic question (e.g., where an existing model or approach has added interventions to try and improve its effectiveness). However, RCTs are not suitable for all projects and are resource intensive. Where RCTs are planned, an external organisation will be contracted. Louis Berger partner, Clear Horizon, has existing relationships with several RCT providers including Abdul Latif Jameel Poverty Action Lab (J-PAL) which is associated with over 140 research institutions and is a premier RCT provider in a developing country context, including those projects focused on workforce development. Partners would be used where necessary to assist in the design and analysis related to the RCT, providing a wealth of geographic and sector specific expertise to RCTs to complement the practical experience of Clear Horizon. Clear Horizon would oversee the process and quality assure each RCT using respected researchers to peer review the analysis and results **Quasi-experimental approaches** Quasi-experimental approaches (QEA) may be more appropriate if conditions for RCTs cannot be met (particularly in cases where the treatment group is not randomly selected, or where there may be ethical questions related to having a control group that is not serviced). QEAs include: Pre –Post (Before vs. After) - Looks at the average change in results for key indicator(s) over time Simple difference – compares results of the intervention group with a control group that did not get the intervention; but may be subject to selection bias Difference-in-difference – compares before and after results in intervention group with those before-after results of a control group. This is one of the closest methods to RCTs, though is often limited due to a lack of randomisation. QEAs may be used on CF pilots if deemed appropriate, as well as on scale-ups where RCTs are not appropriate.	

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
		Mitigation of Delivery Risks, including managing consortium partners In some areas such as programme delivery and supplier management; the mitigation plan includes (by default) the "payment by results" modality wherein the supplier(s) and the Investment Partners are only paid after the deliverables are accepted/approved by the client. In addition, a thorough assessment (due diligence) of each supplier is conducted based on their resources proposed for the programme, strength, credibility and experience of having delivered similar initiatives prior to designing their deliverables on the programme. This assessment is also reflected in their operational work plans (human resources, budget, financial performance, etc.) to ensure risks of delivery are minimized. This information is then applied to an informed decision-making process at the time of designing the work plan deliverables for the overall programme as well as for the Individual suppliers, agreed to by the supplier and approved by the client. This ensures there are no surprises and allows the supplier a head start to planning delivery and meeting expectations. This principle is extended to identifying and recommending the right personnel (including those from the consortium members) to ensure that the deliverables are completed well, and on time. Further, all proposed personnel are vetted by the leadership team to ensure that their technical expertise and previous work experience are relevant to the skill set desired by the programme and as such can deliver as per the programme requirements. The programme team also works closely with the DFID SRO who signs off on all key personnel (other than the ones that have already been approved by DFID on the proposal); and keeps them informed of any other changes in the team.	

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
	Delivery Risks, and managing consortium partners		
Fiduciary – Corruption, Financial Management, Fraud, VFM	The programme funds may be misused, or not be utilized to its maximum benefit.	Mitigation of Fiduciary Risks Code of Ethics/ Anti-corruption As part of Louis Berger's commitment to establishing best practices at the work place, the code of ethics and anti-corruption trainings are held annually for the staff, investment partners and consortium members. In addition to these sessions, code of ethics and anti-corruption online trainings take place throughout the year to complement other online trainings on sexual harassment, management and leadership. Due Diligence All applicants will undertake a due-diligence process to assess if their Governance Structure is robust, they have the technical and managerial ability to implement the proposed project and check their financial standing and financial management systems. SEP will provide necessary training through its accelerator programmes to those applicants who check-out to be worthy recipients of the Challenge Fund investment. Grant Agreements	Minor/ CF Director, MEL, Team Leader, Deputy Team Leader

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
		All SEP Challenge Fund contracts will be concluded between Louis Berger, the Lead Company of the SEP management consortium, and the applicant. In all cases, the applicant will be the organisation that has submitted the successful application for funding and, as appropriate, is the lead organisation of an application made by a consortium. The applicant is solely responsible for the execution of the contract and the implementation of the project, including anti-corruption measures and reporting to Louis Berger and DFID. This contractual obligation cannot in any way be shared among consortium partners in so far as the contract with Louis Berger is concerned. The same is included in the SEP Grant Agreement. Management of Grant Agreements If the applicant is unwilling to sign the contract for any reason, the Challenge Fund Manager will use their best endeavours to resolve any outstanding issues in consultation with Louis Berger. Louis Berger in consultation with its legal advisers and DFID must approve any variations in the wording of contracts. Challenge Fund Managers should, however, ensure that grantees do not unnecessarily seek to amend contractual terms; and, if they do so, they leave themselves liable to have the grant award withdrawn. Contract signing must be concluded within three months of notification of award of grant; in cases where the contract is not signed within three months, the award will be revoked and released funds will be returned to the Challenge Fund for reallocation. Following receipt of the signed contract from the grantee, the Challenge Fund Managers will then forward the contract to Louis Berger for signature. Louis Berger will return two signed copies of the contract, one for the grantee and one for the Challenge Fund Managers. Copies of contracts will be stored in the SEP Programme Office. DFID, should they request copies of the grant agreements will be issued with copies. Due diligence of the partner(s) and their systems are conducted prior to entering into any partnership. In addition, under the delivery chain mapping exercise, probable risks specific to each partnership and each supplier is identified along with the mitigation. These are shared with DFID on a regular basis (monthly). This is followed up with a continuous monitoring process – including regular and surprise audits to ascertain the funds are being spent well and actions such as termination of participation, claw back of funds in the event of misappropriation of programme funds, and or non-performance of partnership are initiated if it is ascertained that the programme funds are being misused, or are not being utilized to its maximum benefit. The following processes ensure appropriate	

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
		checks and balances are built into the programme to minimize the risks of misuse, corruption or value for money not being achieved. They are further explained in the sections below: **Induction Workshops** All successful applicants will be required to attend workshops to explain and agree their obligations to SEP and the contractual arrangements. The workshop will cover: Process for claiming and accounting of expenses each quarter, and frequency of financial and narrative reporting and requirements of each report; Codes of conduct and anti-corruption policies: Technical review of their proposed project, clarification on the implementation process, and where necessary through the SEP Accelerator Programme, training in Project Management; Code of conduct; including anti-corruption and compliance; Review of the MEL needs of SEP and how the approved project should report against key performance indicators; and, Understanding of the SEP Gender Equity and Social Inclusion (GESI) strategy, understanding Core Labour Standards (CLS) and the principles of Decent Work; Safeguarding policies and procedures; and, their obligations to observe GESI and CLS in their organisation. Financial Control This includes audits (internal and annual) and spot checks to ensure a sound financial practice is in place. Value for Money In line with the "Guidance on Measuring and Maximizing VfM in Social Transfers, Effectiveness (cost-effectiveness analysis and cost-benefit analysis)", SEP will integrate VfM approaches: Economy through Louis Berger's procurement procedures; Efficiency using the CF modality; by leveraging resources from private sector; Cost-Effectiveness by using an accelerator; piloting innovations and scaling the	

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
	Value for Money	cost-effective ones; ensuring coordination/cohesive with other development partners like ILO on migration; and, Equity using a GESI approach to reach the most vulnerable, and wherever possible, leave no-one behind. As highlighted above, SEP has integrated Value for Money as a key evaluation question in the MEL framework. As a result, this cuts across all of the MEL and therefore will be able to be reported as the programme is implemented. It is important to note that during the piloting phase the emphasis will be on ensuring SEP is economical, assessing the efficiency, and piloting the cost-effectiveness of modalities. As SEP moves into the scaling phase, more evaluative information will become available enabling for fuller assessments of cost-effectiveness and equity, along with economy and efficiency. The VFM will broadly be assessed by considering: Financial tracking of costs and expenditures of the programme, including administration, programme management and delivery costs. The cost per model, per partner and per unit of output Average cost of reaching each beneficiary, disaggregated and stratified by partner, model and beneficiary profiling Average benefit each beneficiary receives, disaggregated and stratified by partner, model and beneficiary profiling note that this will be collected through consideration of (i) increase of wages, (ii) increase in productivity, and/or (iii) increase in employment. Leverage amount, disaggregated and stratified by partner, model and beneficiary profiling – i.e. for every GBP (£) spent on a project, how much is leveraged from the Partners and beneficiaries Benefit Cost Ratio, disaggregated and stratified by partner, model and beneficiary profiling Cost-Effectiveness of different models to inform piloting/scaling options Private Sector Investment – how much has been invested in skills for employment by the Challenge Fund Investment Partners Number of projects which reach scale from pilot phase Replication- adaptation of the skills model by other entities without additional funding support from SEP. Note where possible instances of replication may be assessed to estimate the indirect benefits of SEP. A separate deliverable (Value for Money Plan; B2.6) outlines SEP's detailed approach to VfM.	

	Summary of Risk	Mitigating Actions	Overall Risks/Responsible Person(s)
	Risks of non-performance (including but not limited to beneficiaries dropping out of training, losing the link between training and employment through job placement, disagreement with the model approach, etc).	Mitigating Risks of Non-Performance It is anticipated that some partnerships will encounter implementation problems and face varying degrees of difficulties. These include risk of non-performance due to one or other elements mentioned under the 'summary of risk' section. The SEP Leadership Team will therefore continuously monitor all partnerships closely and take immediate action if any project is not being implemented in accordance with its work plan and budget. As part of the reporting process, each partner is required to submit a quarterly progress report and an expenditure report. The programme reviews these reports carefully to ensure progress is satisfactory and on schedule. These reports also provide the first indications that problems may be occurring. If there are any concerns that a project may not be progressing satisfactorily, the investment partner is contacted immediately to review the situation. All problem projects are closely monitored until the problem is resolved. Generally, it can be expected that the most common problems will be that there will be delays in implementing work plans, expenditure will not be exactly in accordance with the approved budget and targets may not be achieved as anticipated for a variety of reasons – internal and external to the programme. In these situations, it will be necessary to revise work plans and budgets within the overall timetable and budgetary ceilings. If the problems persist, it may be necessary to act to preserve the integrity of the SEP Challenge Fund and its monies. Challenge Fund Managers will initiate and recommend such action should this be necessary.	Moderate/ Team Leader, Deputy Team Leader, CF Director, Director Partnerships

	Summary of Risk	Mitigating Actions		Overall Risks/Responsible Person(s)
		Problem	**Course of Action/Possible Solutions**	
		Project is running behind schedule	Review project progress with applicant and identify causes(s) of delays. If problem is one of timing or other minor reason, allow project to continue and monitor closely. If delays more significant, revise work plan and expenditure plan as necessary, keeping within agreed implementation schedule. Monitor project closely to ensure work plan and schedule is maintained.	
		Project expenditure higher than budgeted	Review past and projected expenditure with applicant and seek to flex and revise downstream expenditure so that original budget is maintained. If not possible, ask applicant to increase contribution from own and partner resources to meet budget increase. If applicant cannot increase contribution, suspend project, get applicant to make new budget and submit to next ISC meeting.	
		Applicant does not submit progress and expenditure reports on time	Remind applicant of obligations. If applicant does not provide reports immediately, suspend disbursements until reports are submitted. Reinstate project following receipt of reports. Monitor closely thereafter to ensure future reports are submitted on time.	
		Applicant unable to make planned contribution to the project	Suspend project until applicant makes the agreed resources available. If situation persists, terminate project and take necessary steps to recover SEP Challenge Fund funds already advanced.	
		Nature of project changes from that in the original application	Suspend project immediately. If nature of project changing from original concept, applicant will need to submit revised proposal to ISC.	
		Expenditure is incurred on items not in original budget	Suspend project immediately and investigate. If due to lack of control or other management problems, ensure applicant rectifies situation and reimburses any SEP Challenge Fund monies used for unauthorised items.	

	Summary of Risk	Mitigating Actions		Overall Risks/Responsible Person(s)
			If changing expenditure due to nature of project changing from original concept, applicant will need to submit revised proposal to ISC	
		Funds being misused	Suspend project immediately. Investigate situation and ensure applicant's auditor also investigates and reports. If misuse due to lack of control or other management problems, ensure applicant rectifies situation and reimburses any SEP Challenge Fund monies misused. If misuse or fraudulent, terminate project and instigate legal action to recover SEP Challenge Fund monies.	

The listing above sets out the most likely problems that might occur and possible solutions. Other than in cases where there are minor delays and/or adjustments required to expenditure lines within the overall, budget, the Challenge Fund Manager must file a report to the SEP Team Leader outlining the problem, the outcome of the review with the grantee and what, if anything needs to be done to rectify the situation. The SEP Team Leader will consult with Louis Berger in all cases where it may be necessary to suspend project activities, before initiating any such action. Louis Berger will then consult with DFID as necessary before confirming the action to be taken.

Annex 13. Skills MEL Plan

Introduction

The Skills component of Skills for Employment (SEP) will broker transformational partnerships with the private sector to propel growth and productivity in selected priority sectors through expanded access to quality skills training and job placement. The programme will focus on five sectors/industries with growth potential closely tied to skills for employment: tourism, agriculture, hydropower, ICT and light manufacturing.

SEP will use a market systems approach to partner with the private sector to test innovative training projects under a number of training models to address key gaps and market failures in these priority sectors. The industry-preferred models have been identified through the firm-level survey (see Table 1).

Table 20. Skills component training models

Window	Model
1. Employer/Industry led Training Models	9. Employer sponsor/ own training provider (Affiliated to national or international institution) 10. Apprenticeship/ Industry Trainee programme (fully Employer led) 11. In-house training with internal and/or external certification (National) 12. In-house training with internal and/or external certificate (International)
2. Provider Led Training Models	13. Skills Assessment (L1/2/3) & certification/Recognition of Prior Learning (RPL) 14. Institution based with on the job component
3. Training Models specifically for GESI (incl. PwDs)	15. I/NGO livelihood training programme 16. Civil society associations and community-based organisations-initiated skills-based training for PwDs
4. Open Window	Partner-led approach that are not covered by other models and align with investment decision-making criteria and DFID's principle of "Leave No-one Behind"

The Skills component Monitoring, Evaluation, and Learning Plan (MELP) is a complementary document to the SEP MELF and should be read in conjunction with it.

Skills component Theory of Change

This MELP outlines the Skills component Theory of Change and is presented in Figure 1 with explanatory description in Table 2.

The skill component ToC represents the generic ToC that Challenge Fund partners will customise, once contracted, so that each project can collect data that can be aggregated, where relevant, and used for monitoring and evaluation.

The Skills ToC is based on Kirkpatrick Model[32], a widely used model for analysing and evaluating the results of training programs. The model takes into account any style of training, both informal or formal, to determine aptitude based on four levels criteria, described in Table 2, with corresponding level of the outcome hierarchy from the ToC.

Table 21. Skills component Theory of change description

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[32] https://www.kirkpatrickpartners.com/Our-Philosophy/The-Kirkpatrick-Model

Outcome hierarchy level (and associated Kirkpatrick model level)	Outcome	Description
End of programme outcomes (Level 4: Results)	Beneficiaries have increased personal income	As a result of entering employment or commencing income-generating activities, beneficiaries will have increased income
	Business productivity increases by 20% (for already-employed beneficiaries)	Because of workers filling skills gaps, businesses will be more productive (business-specific indicators will be set)
	Increase in gainful employment	Pre-employment beneficiaries will enter and remain employed (full time, contract) at or above min. wage; already-employed beneficiaries will remain in employment or be promoted; or self-employed have income-generating activities that keep them out of poverty
End of component outcome	Employer and sector skills gaps filled	As a result of beneficiaries (formal/contract employment) applying their newly acquired skills, they will fill skills gaps within businesses in the targeted sectors
	Increased livelihood opportunities	As a result of livelihoods training, beneficiaries will start income-generating activities, or improve existing ones
Intermediate outcomes (Level 3: Behaviour)	Beneficiaries apply skills	As a result of beneficiaries of the training, beneficiaries will apply their knowledge and skills in the workplace
Immediate outcomes (Level 2: Learning)	Beneficiaries demonstrate increased knowledge and competence	As a result of beneficiaries finding the training useful, they will have been motivated to learn knowledge and skills
(Level 1: Reaction)	Beneficiaries feel that the training was useful	As a result of well delivered and customised, demand-driven training, beneficiaries will find the training useful.

The activities to trigger the above-changes will be the projects funded through the Challenge Fund, under the windows and models identified in Table 1.

The skill component ToC's assumptions (external factors that need to hold true) are presented in Figure 1.

Figure 21.Skills component Theory of Change

ASSUMPTIONS: Private sector want or are able to invest in Challenge Fund; Training models are well delivered and meet participant learning styles; Learners want to learn and want/motivated to apply skills; Employers and workplaces support and enable the application of skills; Pre-employment learners find employment (full time or contract) or commence income generating activities; Post-employment learners remain in their jobs; Industry certificates are recognised by other employers

The skills component will target two broad categories of beneficiaries: already-employed workers, and pre-employment workers (see Figure 2).

Businesses, through the programme's research, have indicated that there are many instances of employees not having the requires skills to undertake their job functions effectively, which impacts on the firm's productivity, profits, and/or growth. Upskilling such workers will make more effective workers (e.g. through productivity, and/or quality of outputs or decision-making etc.), and fill skills gaps that benefits the business, and the employees through the maintenance of gainful employment.

Businesses also have skills gaps in terms of insufficient numbers of skilled workers. SEP will train pre-employment workers that will, through employment placement support linked to projects, lead to skills gaps being filled. The employment of this category of beneficiary will lead to increased income, along with gainful employment.

SEP will also provide skills to beneficiaries in non-formal employment, so that they are able to start or join income-generating activities, leading to increased income and gainful livelihoods.

Figure 22. Beneficiary journey through skills component

Immediate outcome   *Intermediate outcome*   *End of programme outcome*

Already employed- skill set do not match role/job

Employer/business to define baseline productivity relevant to the business e.g. down time, product output, quality of work, staff retention etc

Beneficiary receives training – **awarded national or international certificate**

Beneficiary applies skills – **Business fills skills gaps**

Business-defined productivity measure improves (against baseline)

Beneficiary remains gainfully employed, with income equal or above minimum wage set by GoN

Pre-employment – do not have employment-ready skills; or skills for income-generation

Beneficiary receives training – **awarded national or international certificate** for formal training; other certificate for non-formal training

Beneficiary gains employment and applies skills – **Business fills skills gaps**

Beneficiaries gainfully employed, with income equal or above minimum wage set by GoN, and increased income (against baseline)

Beneficiary starts/joins income generating activity, and applies skills

Beneficiaries in gainful livelihood, with income equal or above minimum GoN poverty line. and increased income (against baseline)

Skills data collection matrix

Table 22 below outlines the data collection required at the component level. The data collection matrix is based on the outcome hierarchy of the Skills component (Figure 1) and identifies monitoring questions for each of the levels to measure effectiveness from activities through to End of Programme Outcomes (EOPOs).

Monitoring questions are also outlined for other key criteria that will in turn inform the overall programme MELF.

A large component of the data needs will come from Challenge Fund partners. Challenge Fund partner will need to develop their own MELPs that aligns with the relevant questions and indicators in Table 3.

Data collection tools are identified in Table 3, and described in Section 3, with templates provided in the annex where relevant. These templates may need to be customised for each partner as required.

Table 22. Skills component data collection matrix

Outcome level	Monitoring question	Indicators	Baseline	Target	Data collection method / tool	Timeframe	Responsibility
End of programme	To what extent has beneficiary income increased?	Average beneficiary income before training and 12 months after completion Number & % of beneficiaries reporting increased income	TBD for each project	20% increase	Beneficiary profiling questionnaire (baseline) and/or employers Tracer survey of beneficiaries and/or employers	Before training commences 6-12 months post training	CF partner and/or training provider SEP MEL
	To what extent has business productivity increased?	Number and % of businesses reporting increased productivity from skilling already-employed workers, and extent of increase (productivity indicator to be set by each company relevant to their context)	TBD for each project	20% increase	TBD for each project- supplied by employer, with SEP MEL support as required Tracer survey/interview of businesses employers	Before training commences 6-12 months post training; in some instances, follow up could be shorter time interval	CF partner (with SEP MEL) CF partner and SEP MEL
	To what extent has gainful employment of beneficiaries increased?	Number of beneficiaries (disaggregated) entering employment (full time, contract) at or above min. wage Number of already employed beneficiaries remaining in their workplace, moving into higher income role within same employer, or moving to new employer at or above min. wage Number of beneficiaries (disaggregated) commencing or joining income-generating activity at or above poverty line		45,000	Beneficiary profiling questionnaire (baseline) Tracer survey of beneficiaries	Before training commences 6-12 months post training	CF partner and/or training provider SEP MEL
	How has SEP changed beneficiaries lives?	N/A			Stories of change	12 months post training	SEP MEL
End of component	To what extent have employer and sector skills gaps been filled by projects?	Number of participant businesses and associations reporting skills gaps filled	N/A	N/A	Employer interview or survey (rubric), Project reports Focus Group Discussions Back to office reports	3-6 months post training	SEP MEL

Outcome level	Monitoring question	Indicators	Baseline	Target	Data collection method / tool	Timeframe	Responsibility
	To what extent have livelihood opportunities increased?	# & % beneficiaries with new income generating opportunities			Tracer survey of beneficiaries (Window 3)	3-6 months post training	SEP MEL
Intermediate outcomes	To what extent are beneficiaries applying the skills learnt in training in their workplace or income generating activities?	# & % of beneficiaries applying skills Supervisor/ employer	N/A	TBD	Tracer survey of beneficiaries Interviews or feedback of supervisors – rubric of beneficiary application	3-6 months post-training	SEP MEL
Immediate outcomes	To what extent have beneficiaries successfully completed training?	# and % (of enrolled) beneficiaries awarded competency-based certificates (formal training) # and % (of enrolled) beneficiaries awarded certificates or deemed competent (non-formal training)	0	37-40,000 5-8,000	Trainer records (enrolled, did not finish, did not pass, awarded certificate) Trainer records (enrolled, did not finish, did not pass, awarded completion certificate or awarded recognised certificate)	End of training	CF partner and/or training provider
	To what extent have beneficiaries found the training useful?	# and % beneficiaries completing training who found it useful			Post-training survey- scale answers and open feedback on what was useful, what can be improved	End of training	CF partner and/or training provider
	What worked well and what could be improved in training delivery?	Beneficiary feedback Trainer feedback			Post-training survey- scale answers and open feedback on what was useful, what can be improved Trainer report	End of training	CF partner and/or training provider Training provider
Activities	How many applications were received, and how many were funded?	# applications received by model, and # funded			Challenge Fund records	Quarterly	Challenge Fund
	How satisfied are partners with the Challenge Fund modality?	# partners expressing high satisfaction			Interviews and/or surveys with partners	6 monthly	SEP MEL and Challenge Fund
	To what extent are partners adhering to Challenge Fund reporting and financial requirements?	# partners identified as not compliant			Challenge Fund records	Quarterly	Challenge Fund

Outcome level	Monitoring question	Indicators	Baseline	Target	Data collection method / tool	Timeframe	Responsibility
	How many projects have been scaled up?	# projects scaled up		5	Challenge Fund records	End pilot phase	Challenge Fund and SEP MEL
Assumptions	To what extent have assumptions held true, for each project, and across all projects?	N/A			Review of Challenge Fund partner reporting	Quarterly	CF partner and SEP MEL
VfM	How cost effective were projects?	Cost per beneficiary: Benefit from training (income increase) in NPR			Return on Investment or Cost effectiveness analysis	CF project completion	CF partner and SEP MEL
	How efficient were projects?	NPR & % invested by partner vs NRP & % invested by SEP			Challenge Fund records	Quarterly	Challenge Fund
	How equitable were projects?	# & % women # & % DAGs # & % PwDs Instances and extent of displacement			Beneficiary profiling questionnaire (baseline) Trainer records (enrolled, did not finish, did not pass, awarded certificate) Interviews with employers		CF partner and SEP MEL Training provider SEP MEL
Sustainability	How many projects are continuing or likely to continue beyond SEP funding?	# of partners continuing investment in training without SEP # of partners indicating strong likelihood of continuing?			Partner interviews		Challenge Fund and SEP MEL
	How many projects are not continuing or unlikely to continue beyond SEP funding, and why?	# of partners discontinuing investment in training without SEP # of partners indicating strong likelihood of discontinuing?			Partner interviews		Challenge Fund and SEP MEL

Data collection tools

Beneficiary profiling questionnaire

SEP requires collection of beneficiary profile data, including:

- Age
- Gender
- Ethnic/cultural background, religion (DAG)
- Disabilities (Washington Group short set)
- Occupation(s)
- Employment status- including sector
- Personal income/wage (baseline) & household income (if relevant)
- Number of people in household
- Level of education/training
- Province (residential)
- Contact details – for tracer surveys, including email, mobile, facebook etc

Beneficiary profiling will be undertaken as beneficiaries enrol/enter into training interventions. Challenge Fund partner and their training providers will be responsible for collecting the required data, either as a separate questionnaire, or incorporating the required questions into training provider enrolment forms.

Employer supplied baseline data- business productivity

Businesses will be required, with SEP MEL support, to identify a business-relevant productivity indicator(s) that will be sensitive enough to measure change resulting from the training of employees. The indicator(s) will need to be based on the job roles of beneficiaries, and reflect the skills being trained. Businesses will need to measure the baseline productivity indicator that they have set before the training begins.

Post-training survey

Standardised questions to assess training will capture beneficiary satisfaction with training, using statements and a 5-point scale (e.g. Strongly Agree to Strongly Disagree). This will include:

- Ease of understanding the trainer
- Trainer's knowledge of the course content
- Trainer's engagement with learners (beneficiaries)
- Usefulness of course materials
- Usefulness of course content to the job role
- Confidence in being able to apply the knowledge and skills
- Overall satisfaction with the training

Open-ended questions will provide beneficiaries to provide qualitative feedback on what were the best parts of the training and what could be improved

Trainer report (post-training)

Trainers will be required to complete a training report based on a template (to be developed) that will provide observation feedback on level of beneficiary engagement, what worked well and what did not, recommendations for improvement. The report will also provide details on attendance, course completion, dropouts etc.

Beneficiary tracer survey (3-6 months post)

Tracer surveys of beneficiaries will be developed for the different categories of beneficiaries and the types of projects/models they participated in (e.g. already-employed, pre-employment, livelihoods).

The tracer surveys will be distributed to a sample of beneficiaries 3 to 6 months following training (depending on length and type of training) and will capture data on whether skills are being applied, barriers to applying skills (personal e.g. confidence, and organisational e.g. incentives, enabling environment).

Employment status will be captured, to track beneficiaries getting employed (pre-employment training), promoted or changed jobs (already-employed), or commencing income-generating activities.

The tracer survey will have open-ended questions to capture benefits, both intended and unintended.

Beneficiary tracer survey (12 months post)
Similar to 3.5 and will also capture income.

Business skills capacity rubric
A rubric will be used for businesses to provide feedback (3-6 months following training) on the extent of skills gaps being filled based on beneficiary application of skills in the workplace.

Score	Performance Rating	Level Achieved	Examples / Notes
1	Poor 💣 (hope not to see)	Beneficiaries have gained increased skills but are not applying it in their work settings. Skills gaps remain.	
2	Adequate ☹ (minimum standard expect to see)	Some beneficiaries are applying new knowledge, skills, attitudes in their work but not on a consistent basis. The benefits to the firm from the new skills are limited. Some skills gap are filled but further work remains.	
3	Good ☺ (like to see)	Beneficiaries are applying new knowledge, skills, attitudes in their work, and the firm is benefiting through increased quality and/or productivity of work. Skills gaps are filled.	
4	Great ☺ (love to see)	Beneficiaries are applying new knowledge, skills, attitudes in their work, and are training or mentoring others. The firm is benefiting through increased quality and/or productivity of work. Skills gaps are filled.	

Data security
Beneficiary and Challenge Fund partner privacy is critical to Louis Berger and the SEP programme. Beneficiaries will be allocated a unique identification code, and all data analysis will be de-identified. Hard copy data forms will be securely stored in a locked filing cabinet. Electronic data will be stored in a secure cloud server. Results will not be reported against individual beneficiary details, except for stories/vignettes where beneficiaries or businesses provide written consent.

Annex 14. Migration MEL Plan

Introduction

The Migration Component Monitoring, Evaluation, and Learning Plan (MELP) provides guidance for the performance monitoring and evaluation. It is a complementary document to the Skills for Employment (SEP) MEL Framework (MELF) and should be read in conjunction with it.

The migration component of Skills for Employment (SEP) will broker transformational partnerships with private sector organisations, financial institutions, and non-governmental organisations across the value chain to implement innovative models for prioritising migration for development through better skilled migrants, allowing them to access higher paid jobs; lowering financing and other costs; and channelling remittances into more productive resources.

SEP will use a challenge fund mechanism, a market systems approach to partner with organisations, especially the private sector, to test innovative models to address key gaps and market failures in these priority sectors. Several potential preferred models have been identified (see Table 1) during the inception phase through macroeconomic survey, a detailed analysis of Nepal's migration and remittance economy using a M4P lens.

Table 23. Migration component models

Window	Model
5. Cost of Migration and Ethical Recruitment	9. Financial products for lowering cost of migration 10. Migrant skilling 11. Access to factual information (innovative platforms/ technology)
6. Savings and Investment	12. Financial products for savings and investment 13. Financial literacy
7. Open Window	Partner-led approaches - Projects that are not covered by other models and align with investment decision-making criteria and DFID's principle of "Leave No-one Behind"

Migration component Theory of Change

The migration component theory of change (ToC) is outlined and presented in Figure 1 below, with explanatory description in Table 2. The Migration ToC is a form of implementing agency theory of change that is informed by both social change and evaluation which draws logical connection between activities and end of program outcomes.

The ToC illustrates linkages that challenge fund partners will customise, once contracted, so that each project can collect data that can be aggregated, where relevant, and used for monitoring, evaluation and learning. The ToC is described in Table 2 below with corresponding level of the outcome hierarchy. The activities to trigger the changes illustrated in the ToC will be projects funded through the challenge fund, under the windows and models identified in Table 1 above. In addition, the migration component ToC's assumptions (external factors that need to hold true) are presented in Figure 2.

Figure 23. Migration component Theory of Change
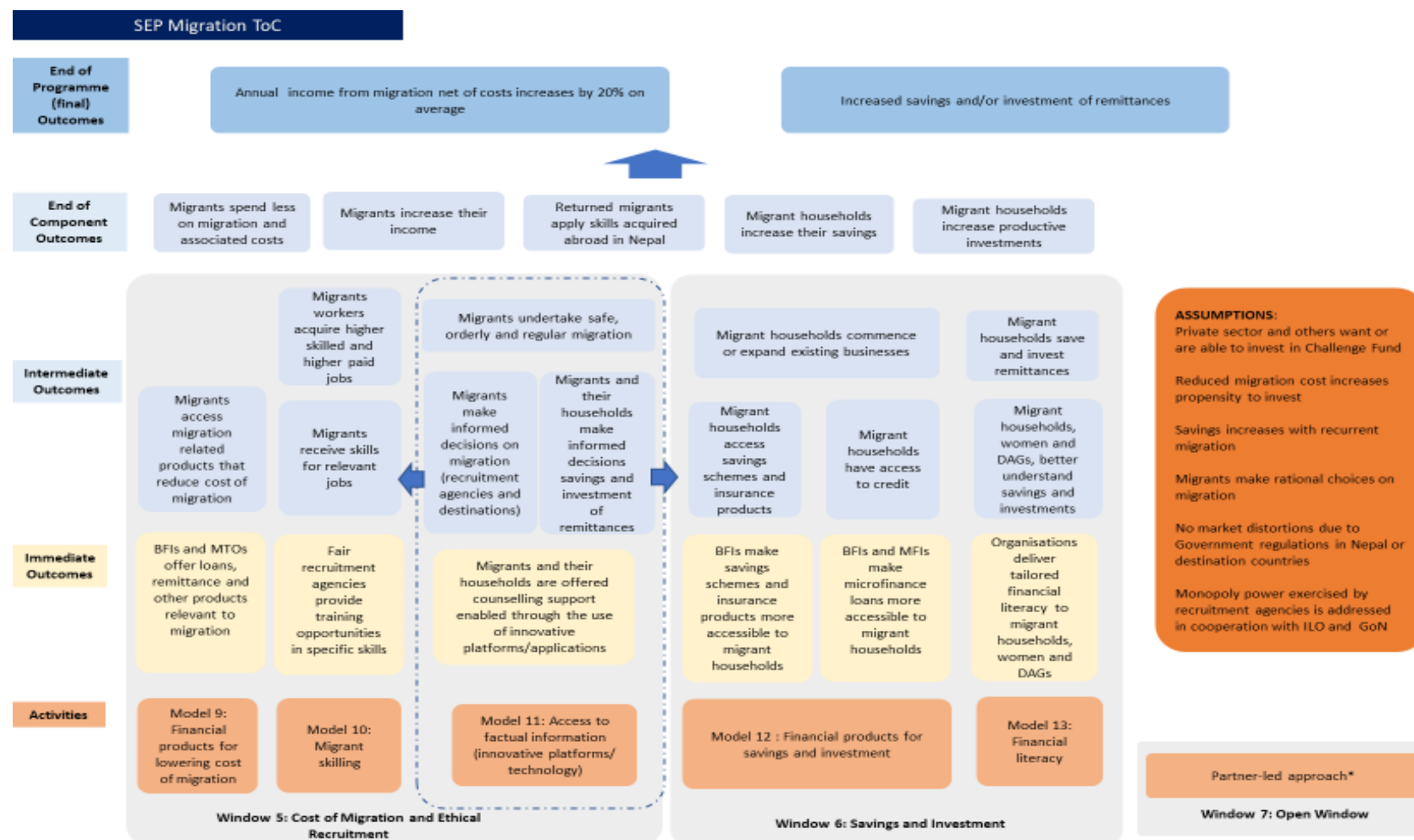
Table 24. Migration component Theory of change description

Outcome hierarchy level	Outcome	Description
End of programme outcomes	Annual income from migration net of costs increases by 20% on average	As a result of increased migration income, and/or reduced cost of migration, the annual income available to migrants and their households will increase by an average 20%.
	Increased savings and/or investment of remittances	As a result of good financial literacy, and combined with increased annual income from migration, migrants and their households will allocate a greater share of remittances to savings, and/or invest migration income in businesses.
End of component outcome	Migrants spend less on migration and associated costs	As a result of migrants taking up new financial products and services related to migration (e.g. reduced cost loans and insurance, reduced cost remittance), the cost of migration will be reduced.
	Migrants increase their income	As a result of migrants being skilled before migration, and through making informed decisions on the best migration destinations and jobs based on their skills, migrant income will increase.
	Returned migrants apply skills acquired abroad in Nepal	Returned migrants will apply the skills acquired or practiced abroad back in Nepal in formal employment, helping fill skills gaps, or through starting their own businesses.
	Migrant households increase their savings	As a result of better financial literacy, migration advice, and take-up of banking and financial products, migrant households will have more financial savings products at the household level (e.g. deposit cards, term deposits etc).
	Migrant households increase productive investments	As a result of better financial literacy and business skills, and migration advice, and take-up of banking and financial products (e.g. loans, micro-credit), migrant households invest remittances into starting a business, or into other businesses.
Intermediate outcomes		
1	Migrants access migration related products that reduce cost of migration	As a result of availability of relevant BFI products to migration and better financial literacy, potential migrants access new financial product and services to finance migration process.
2	Migrants workers acquire higher skilled and higher paid jobs	The extent to which beneficiaries apply what they learned during training when they are back on the job

Outcome hierarchy level	Outcome	Description
	Migrants receive skills for relevant jobs	As a result of training provided by programme partners, migrant gain relevant skills for their job.
3	Migrants undertake safe, orderly and regular migration	As a result of good counselling support received by migrant and migrant household members, migrants make informed decision on migration leading to undertake a safe, orderly and regular migration process.
	Migrants make informed decisions on migration (recruitment agencies and destinations)	As a result of good counselling support received by potential migrant, migrant makes informed decision on migration.
	Migrants and their households make informed decisions savings and investment of remittances	As a result of good counselling support received by potential migrant household members, migrant makes informed decision on migration.
4	Migrant households commence or expand existing businesses	As a result of availability of relevant BFI products catered to migrant household and better financial literacy, migrant households invest remittances into starting a business, or into other businesses.
	Migrant households access savings schemes and insurance products	As a result of availability of relevant BFI products catered to migrant household and better financial literacy, migrant households will have more financial savings products at the household level (e.g. deposit cards, term deposits etc).
	Migrant households have access to credit	As a result of availability of relevant BFI products catered to migrant household, migrant household have access to credit.
5	Migrant households save and invest remittances	As a result of better financial literacy, migrant households save and invest remittances into productive sector.
	Migrant households, women and DAGs, better understand savings and investments	As a result of better financial literacy, migrant household will have good understanding on how to utilise BFI products and invest in productive sector.
Immediate outcomes	BFIs and MTOs offer loans, remittance and other products relevant to migration	As a result of SEP programme partnership, migrant relevant BFI products are developed and provided to potential migrants and their family.
	Fair recruitment agencies provide training opportunities in specific skills	As a result of SEP programme partnership activities, migrant receive relevant training to develop specific skills.

Outcome hierarchy level	Outcome	Description
	Migrants and their households are offered counselling support enabled through the use of innovative platforms/applications	A well delivered and customised counselling support provided to potential migrant and their households.
	BFIs make savings schemes and insurance products more accessible to migrant households	As a result of SEP programme partnership activities, new migration relevant financial product and services (savings schemes and insurance products) are available to potential migrant and their households.
	BFIs and MFIs make microfinance loans more accessible to migrant households	As a result of SEP programme partnership activities, new migration relevant financial product and services (e.g. loans, micro-credit) are available to potential migrant and their households.
	Organisations deliver tailored financial literacy to migrant households, women and DAGs	A well delivered and customised financial literacy support is provided to potential migrants and their households.
ASSUMPTIONS:	Private sector and others want or are able to invest in Challenge Fund; Reduced migration cost increases propensity to invest; Savings increases with recurrent migration; Migrants make rational choices on migration; No market distortions due to Government regulations in Nepal or destination countries; Monopoly power exercised by recruitment agencies is addressed in cooperation with ILO and GoN;	

Migration Monitoring Framework

Table 3 below outlines the data collection required at the component level. The data collection matrix is based on the outcome hierarchy of the Migration component (Figure 1) and identifies monitoring questions for each of the levels to measure effectiveness from activities through to End of Programme Outcomes (EOPOs).

Monitoring questions are also outlined for other key criteria that will in turn inform the overall programme MELF. As part of the challenge fund mechanism the partners will create evaluative measures in their implementation process. challenge fund partners will develop their own MELPs that aligns with relevant questions and indicators in Table 3. A large component of the data needs will come from challenge fund partners. Data collection tools are identified in Table 3, and described in Section 3, with templates provided in the annex where relevant. These templates may need to be customised for each partner as required.

Table 25. Migration component data collection matrix

Outcome level	Monitoring question	Indicators	Baseline	Target	Data collection method / tool	Timeframe	Responsibility
End of programme	To what extent has beneficiary annual income net of costs increased?	Beneficiary gross income (NPR), average, less average cost savings	TBD	20% increase	See end of component data collection- income and cost reductions	Annually	CF partner SEP MEL
	To what extent have beneficiary savings and/or investment of remittances increased saving increased?	Number of beneficiaries reporting increased savings and/or investment Cumulative and average savings/investment (NPR)	TBD for each project		Beneficiary profiling questionnaire (baseline) Tracer survey of beneficiaries and/or employers	When participation commences Annual	CF partner SEP MEL
	How has SEP changed beneficiaries lives?				Stories of change	Annual	SEP MEL
End of component	To what extent have cost of migration decreased for migrants?	Reduction of the interest rate on migration loans from (35-40%) to (15-18%)	35-40% (confirm with projects)	Reduction to 15-18%	Published interest rates for financial products	Commencement and quarterly	CF partner SEP MEL

Outcome level	Monitoring question	Indicators	Baseline	Target	Data collection method / tool	Timeframe	Responsibility
	To what extent have migrant income increased?	# & % beneficiaries with increased income Beneficiary income (NPR)	TBD with beneficiary profiling	40% increase after skilling	Beneficiary profiling questionnaire (baseline) Recruitment firm advertised income Tracer survey of beneficiaries	When participation commences Upon recruitment 3-6 months post training	CF partner SEP MEL
	To what extent have returnee migrant applied skills acquired aboard in a job or livelihood activity?	# & % beneficiaries (returnee migrants) in formal employment or new income generating opportunities upon return	TBD with beneficiary profiling		Tracer surveys Sentinel household survey	3 months upon return- collect annually Annual	SEP MEL
	To what extent have migrants and households increased their ability to save?	# and & beneficiaries reporting savings Beneficiary savings (NPR)	TBD for each project		Beneficiary profiling questionnaire (baseline) Tracer survey of beneficiaries	When participation commences 6-12 months	CF partner SEP MEL
	To what extent have migrants and households increased their savings of remittances?	Remittances saved (NPR) and % of total remittances # and % reporting savings	TBD	10-20% increase	Tracer survey migrants and households Sentinel households	6-12 months post financial literacy training Annual	SEP MEL CF partner

Outcome level	Monitoring question	Indicators	Baseline	Target	Data collection method / tool	Timeframe	Responsibility
	To what extent have migrant household using remittance in productive investment?	Remittances invested (NPR) and % of total remittances # & % reporting investments	N/A	10-20% increase	Tracer survey migrants and households Sentinel households	6-12 months post financial literacy training Annual	SEP MEL CF partner
Intermediate outcomes	To what extent are beneficiaries accessing migration related financial product?	# & % of beneficiaries accessing SEP supported financial products	N/A	N/A	Partner reports- financial products available Tracer survey of beneficiary	Quarterly 3-6 months post-product development	CF partner SEP MEL
	How many beneficiaries receiving training have acquired higher skilled and higher paid jobs?	# & % of beneficiaries trained acquiring jobs Income of acquired jobs (vs income for same job category in same destination country)		5-8,000 trained	Recruitment firm reports Recruitment firm data	Quarterly	CF Partner SEP MEL

Outcome level	Monitoring question	Indicators	Baseline	Target	Data collection method / tool	Timeframe	Responsibility
	How many beneficiaries have successfully completed training?	# and % (of enrolled) beneficiaries awarded competency-based certificates (formal training) # and % (of enrolled) beneficiaries awarded certificates or deemed competent (non-formal training)		5-8,000	Trainer records (enrolled, did not finish, did not pass, awarded certificate) Trainer records (enrolled, did not finish, did not pass, awarded completion certificate or awarded recognised certificate)	End of training	CF partner and/or training provider
	How many migrants receiving SEP-supported access to information make informed-decisions on migration destinations?	# and % of beneficiaries receiving information following recommended decisions	N/A	N/A	Tracer survey	3-6 months	SEP MEL
	How many migrants and households receiving SEP-supported access to information make informed-decisions on savings and investment?	# and % of beneficiaries receiving information following recommended decisions	N/A	N/A	Tracer survey Sentinel households	3-6 months Annually	SEP MEL

Outcome level	Monitoring question	Indicators	Baseline	Target	Data collection method / tool	Timeframe	Responsibility
	How many migrant or migrant households have commenced or expanded a business?	# and % beneficiaries commencing business # and % beneficiaries expanding business	N/A	TBD	Tracer survey	6-12 months	SEP MEL
	How many households have increased the number of savings and insurance products?	The number of financial products per household	N/A	Households increase at least by 2 products	Tracer survey migrants and households	6-12 months post financial literacy training	SEP MEL CF partner
	To what extent do migrant households report improved understanding of savings and remittances?	# and % beneficiaries with improved knowledge of savings and remittances	TBD	TBD	Post-training feedback Tracer surveys	Post training 3-6 month	CD Partner SEP MEL
Immediate outcomes	How many new BFI products offered to migrants to reduce cost of migration	Number of new products by category	N/A	TBD	Partner reporting	Quarterly	CF partner
	How many courses and in what sector and destination country are there for migrant skilling?	Number of courses offered, by job role/sector and destination country	N/A	TBD	Partner reporting	Quarterly	CF partner
	How many migrants receive migration counselling support services provided through SEP?	# and % beneficiaries receiving access to factual information (model 11)	N/A	4-8,000	Partner reporting – attendance forms	Quarterly	CF partner

Outcome level	Monitoring question	Indicators	Baseline	Target	Data collection method / tool	Timeframe	Responsibility
	How many new saving schemes and insurance products are developed for migrants?	Number of new products developed	N/A	N/A	Partner reporting	Quarterly	CF partner
	How many new microfinance loans are developed for migrants?	Number of new loan products developed, or made available	N/A	TBD	Partner reporting	Quarterly	CF partner
	Number of financial literacy workshops conducted?	# and % beneficiaries	N/A	TBD	Partner reporting	post project activity	SEP MEL and/or CF partner
	How many trainings beneficiaries receive financial literacy training?	# and % beneficiaries receiving training Number of trainings held	N/A	10-15,000	Partner reporting Beneficiary profiling questionnaire	post project activity	SEP MEL and/or CF partner
Activities	How many applications were received, and how many were funded?	# applications received by model, and # funded			Challenge Fund records	Quarterly	Challenge Fund
	How satisfied are partners with the Challenge Fund modality?				Interviews and/or surveys with partners	6 monthly	SEP MEL and Challenge Fund
	To what extent are partners adhering to Challenge Fund reporting and financial requirements?				Challenge Fund records	Quarterly	Challenge Fund
	How many projects have been scaled up?				Challenge Fund records	End pilot phase	Challenge Fund and SEP MEL

Outcome level	Monitoring question	Indicators	Baseline	Target	Data collection method / tool	Timeframe	Responsibility
Assumptions	To what extent have assumptions held true, for each project, and across all projects?	N/A			Review of Challenge Fund partner reporting	Quarterly	CF partner and SEP MEL
VfM	How cost effective were projects?	Cost per beneficiary: Benefit from project (income increase) in NPR			Return on Investment or Cost effectiveness analysis	CF project completion	CF partner and SEP MEL
	How efficient were projects?	NPR & % invested by partner vs NRP & % invested by SEP			Challenge Fund records	Quarterly	Challenge Fund
	How equitable were projects?	# & % women # & % DAGs # & % PwDs Instances and extent of displacement			Beneficiary profiling questionnaire (baseline); Trainer records (enrolled, did not finish, did not pass, awarded certificate); Interviews with recruitment firms/ ILO etc.		CF partner and SEP MEL; Training provider; SEP MEL
Sustainability	How many projects are continuing or likely to continue beyond SEP funding?	# of partners continuing investment in training without SEP # of partners indicating strong likelihood of continuing?			Partner interviews		Challenge Fund and SEP MEL

Outcome level	Monitoring question	Indicators	Baseline	Target	Data collection method / tool	Timeframe	Responsibility
	How many projects are not continuing or unlikely to continue beyond SEP funding, and why?	# of partners discontinuing investment in training without SEP # of partners indicating strong likelihood of discontinuing?			Partner interviews		Challenge Fund and SEP MEL

Monitoring and Evaluation Method and Tools

Beneficiary profiling questionnaire
Beneficiary profiling will be undertaken as beneficiaries enrol/enter SEP interventions. Challenge Fund grantee partner will be responsible for collecting the required data, either as a separate questionnaire, or incorporating the required questions into program provider enrolment forms.

SEP challenge fund partner supplied baseline data
In some instances, challenge fund investment partner may be required to provide some baseline data for their beneficiaries that take part in intervention activities. Investment partners will be required to provide, where relevant, baseline measure on migrant income from migration net of costs for migrants taking part in project activities. The relevant indicators will be identified/developed between the partner and SEP MEL before project commencement.

Post-workshop/training survey
Standardised questions to assess workshop/training will capture beneficiary satisfaction with training, using statements and a 5-point scale (e.g. Strongly Agree to Strongly Disagree). This will include:

- Ease of understanding the trainer
- Trainer's knowledge of the course content
- Trainer's engagement with learners (beneficiaries)
- Usefulness of course materials
- Usefulness of course content to the job role
- Confidence in being able to apply the knowledge and skills
- Overall satisfaction with the training

Open-ended questions will provide beneficiaries to provide qualitative feedback on what the best parts of the training were and what could be improved

Beneficiary tracer survey (3-6 months post and 12 months post)
Tracer surveys of beneficiaries will be developed for the different categories of beneficiaries and the types of projects they participated. The tracer surveys will be distributed to a sample of beneficiaries 3 to 6 months following participation (depending on length and type of training), and 12 months following completion of participation and will capture data on whether project participation have removed barriers in migration and use of income in productive activities. The tracer survey will have open-ended questions to capture benefits, both intended and unintended.

Sentinel households
To understand use of remittances, progress in savings and investment and barriers etc., where relevant, a sentinel household survey will be conducted. The approach will be to monitor a sample of households in greater detail and on a more regular basis than the evaluation tools. This may be complemented with vignettes of individual or household archetypes.

Focus Group Discussions
Undertake with different stakeholders, such as potential migrant participants, businesses and migrant households to identify changes (knowledge, skills and practice), understand what is working and what needs to be improved.

Evaluability Assessment

Evaluability assessments of all pilot interventions will be undertaken to identify what the most appropriate methodology is for evaluation of the project/interventions and taking consideration for lessons from the evidence base.

Project Evaluation

Formative and developmental evaluation approaches will be used in the Pilot phase, and summative evaluation in the Scale-up phase. Formative evaluation approaches will be used to assist to refine and improve established pilot projects. Developmental evaluation approaches will be used to explore evolving project ideas, and initiatives to strengthen systems. Summative evaluation approach will be used at the end of the scale-up phase to assess the extent to which strategic objectives were met, and the end of program outcomes of the programme. This will include aggregating the measurements of change against baselines for all the projects. The relevant approach will be identified/developed between the partner and SEP MEL before project commencement.

Data security

Beneficiary and Challenge Fund partner privacy is critical to Louis Berger and the SEP programme. Beneficiaries will be allocated a unique identification code, and all data analysis will be de-identified. Hard copy data forms will be securely stored in a locked filing cabinet. Electronic data will be stored in a secure cloud server. Results will not be reported against individual beneficiary details, except for stories/vignettes where beneficiaries or businesses provide written consent.

Monitoring and Reporting Timeline

Reports to DFID

Reporting and communication with the primary programme stakeholder, DFID, will be conducted in regular interval. Formal progress reporting to DFID will include the following:

- Monthly Progress Report: a light-touch monthly progress reports focusing more on accountability of what has occurred which will be used for management purposes. This report will be provided for every month expect when quarterly progress report is submitted.
- Quarterly Project Report: Reports are provided by all partners to SEP, including quantitative indicators and qualitative performance reports (see CF Manual)- these will inform the quarterly progress report to DFID and will include a summary of overall progress, issues, lessons for each project/intervention.
- Quarterly Progress Report: Quarterly progress and financial reports which will report on progress against the SEP logframe and component ToC. This report will be informed by partner reports and give emphasis on accountability and demonstrating performance of progress towards component outcomes.
- Annual Progress Report: After the end of the financial year this report will be produced for DFID. The report will report on progress against MEL Framework and will include key achievements, lessons learned and management responses. These reports will draw upon the annual reflection workshops, including agreed results and management responses.

Challenge Fund Grantee/Partner Reports

As part of the project level monitoring, the following reports will be provided by challenge fund grantee/partners and imputed into the Management Information System (see Challenge Fund Manual further detail):

- Inception report, with baseline measures for partner to provide baseline beneficiary profiling
- Quarterly narrative reports against the project implementation, with progress reports quantifying beneficiaries and benefits (as prescribed in the approved application); and quarterly expenditure reporting against disbursements and budgets
- Annual progress reports of the same above
- Annual audit
- Project closure, with productivity end-line; at end of pilot and scale-up stage (if relevant).

Annex 15 - Skills models for Challenge Fund Piloting [A1.3.1 & A1.3.2]
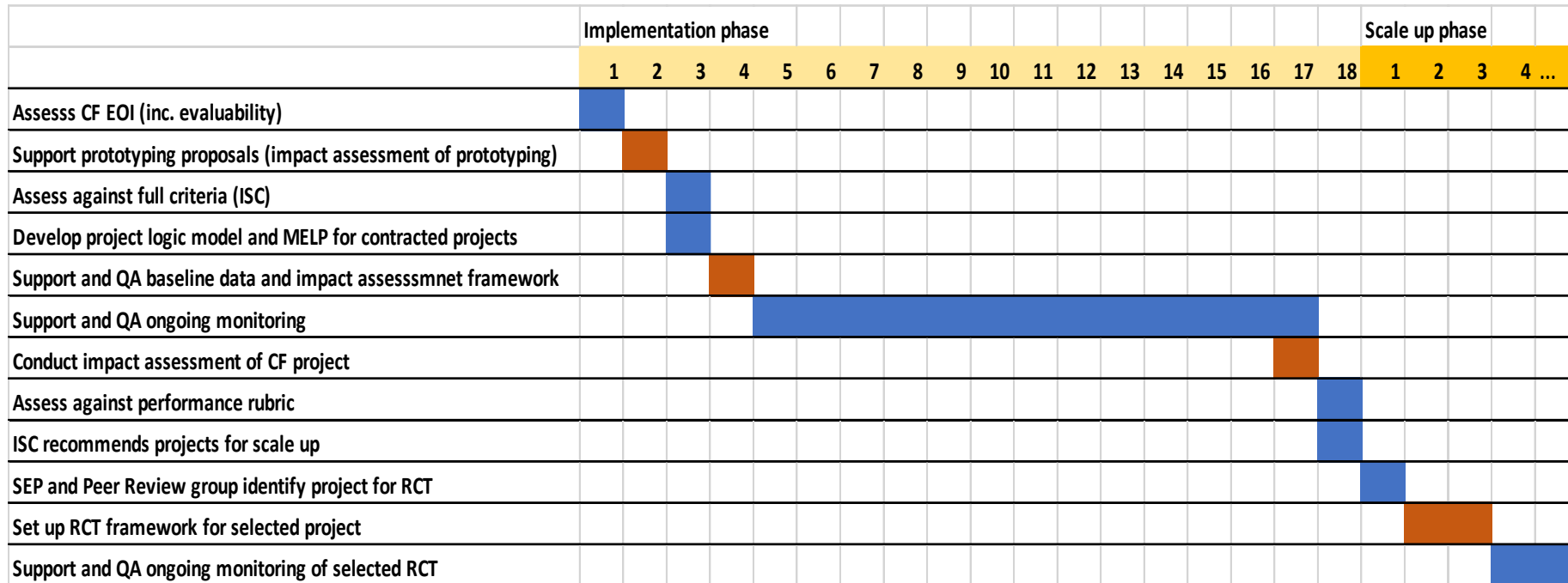
Introduction

The skills team have identified a number of existing demand-drive training that may be scaled up through SEP. Existing training approaches will be encouraged to apply to the Challenge Fund, and should they meet the investment decision-making criteria and be selected for piloting, further evidence will be collected as part of the evaluative research on pilots.

Table 26 below outlines the potential approach to impact evaluation for the eight different models for the skills component. The impact evaluation will be determined on a project-by-project basis, but it will generally fit a standard approach, based on the type of beneficiary (pre or post-employment, livelihoods), and the end outcome. Impact evaluation will be informed by the skills component Monitoring, Evaluation and Learning Plan (MELP), and the project-specific logic model and customised MELP. The figure below illustrates possible impact evaluation questions for skills model.
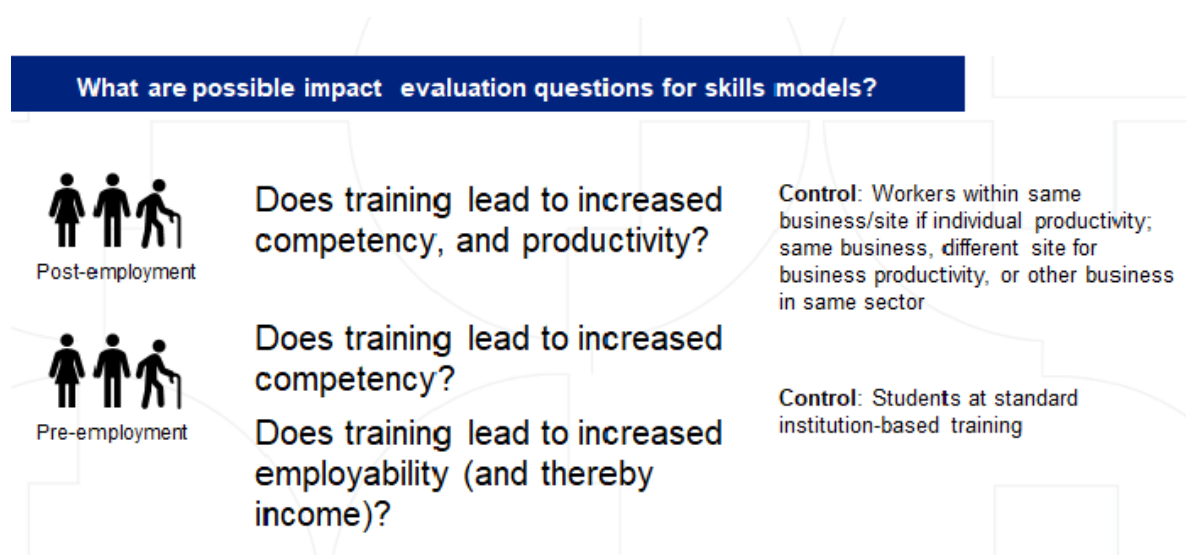
The timeframe for undertaking different types of impact assessments, during the different stages of Challenge Fund projects, will differ based on when EOIs are received, the length of the training, and the time taken to establish a baseline etc. but an example timeframe is presented below in Figure 20. This example timeframe would apply for existing training approaches and new ideas and would apply to both skills and migration components.

Figure 24. Example timeframe for conducting different types of impact assessments for CF projects

	Implementation phase																		Scale up phase			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	1	2	3	4 ...
Assesss CF EOI (inc. evaluability)	■																					
Support prototyping proposals (impact assessment of prototyping)		■																				
Assess against full criteria (ISC)			■																			
Develop project logic model and MELP for contracted projects			■																			
Support and QA baseline data and impact assesssmnet framework				■																		
Support and QA ongoing monitoring					■	■	■	■	■	■	■	■	■	■	■	■	■					
Conduct impact assessment of CF project																	■					
Assess against performance rubric																		■				
ISC recommends projects for scale up																		■				
SEP and Peer Review group identify project for RCT																			■			
Set up RCT framework for selected project																				■	■	
Support and QA ongoing monitoring of selected RCT																						■

Table 26. Potential impact assessment approaches for skills models

Window	Expected number of projects	Estimated Beneficiaries	Model (Refer to Table 1 above, and A1.2.6 for market failures)	Nepal examples from idea bank, assessment of training models	Beneficiary category	Impact evaluation question (examples)	Control options (examples)
Employer / industry led	20	25,000-30,000	Model 1: Employer sponsor/ own training provider (Affiliated to national or international institution)	Chaudhary Group, Vishal Group, FNCCI Trade School, TATA Strive (India), JCB (India)	Post-employment	Does training lead to increased competency, and productivity?	Workers within same business/site if individual productivity; same business, different site for business productivity, or other business in same sector
					Pre-employment	Does training lead to increased competency?	Students at standard institution-based training
			Model 2: Apprenticeship/ Industry Trainee program	Butwal Technical Institute, JCB(UK)	Pre-employment	Does training lead to increased competency?	Standard apprentice-ship
						Does training lead to increased employability (and thereby income)?	Students undertaking standard apprenticeship
			Model 3: In-house training with internal and/or external certification (National)	Youth Community of Nepali Contractors.	Post-employment	Does training lead to increased productivity?	Workers within same business/site if individual productivity; same business, different site for business productivity, or other business in same sector
					Pre-employment	Does training lead to increased competency?	Students at standard institution-based training
			Model 4: In-house training with internal and/or external certification (International)	FUSEMACHINE, Tootle	Post-employment	Does training lead to increased productivity?	Workers within same business/site if individual productivity; same business, different site for business productivity, or other business in same sector
					Pre-employment	Does training lead to increased competency?	Students at standard institution-based training
Provider led	20	12,000-15,000	Model 5: Skills Assessment (L1/2/3) & certification/	Affiliated Private/Public Training- short	Post-employment	Does skills recognition lead to increased employability (moving to another job)?	Workers in same or other businesses that do not undergo RPL

			Recognition of Prior Learning (RPL)	term training leading to NSTB Certification, Youth4Work (India)		Does skills recognition lead to increased income?	Workers in same or other businesses that do not undergo RPL
			Model 6: Institution based with on-the-job component	Silver Mountain College, GATE college, Ark Venture, Don Bosco (Philippines)	Pre-employment	Does training lead to increased competency?	Students at standard institution-based training
						Does training lead to increased employability (and thereby income)?	Students at standard institution-based training
					Post-employment	Does training lead to increased competency, and productivity?	Workers within same business/site if individual productivity; same business, different site for business productivity, or other business in same sector
GESI	25	5,000-7,000	Model 7: I/NGO livelihood training program	Field based Agriculture training/FORWARD, BYST	Existing income-generation	Does training lead to increased productivity, and income?	Individuals with same income-generation activity not receiving training
					No income generation	Does training lead to increased income?	Individuals with no income generation, not receiving training
			Model 8: Civil society associations & community-based organizations-initiated skills-based training for PwDs	Lemon Tree Hotel (India & UK)	Pre-employment	Does training lead to increased employability (and thereby income), against a control?	Individuals not receiving training

Other skills programmes in Nepal

Enhanced Skills for Sustainable and Rewarding Employment (ENSSURE) Project
The SDC-funded ENNSURE programme intends to address the issue of unemployment, underemployment and unfair pay facing the Nepali labour market resulting from the mismatch in skills demanded by the industries and that the workers possess, through different training modalities such as apprenticeship (1,500 people), short training courses with robust On the Job Training (OJT; 5,850 trainees) and workers' further training (13,650 workers from 200 companies).

As of now, there are 200 people undertaking Apprenticeship training course (in mechanical and electrical trade) of 24-month duration in 4 training institutes: Manmohan Polytechnic in Morang (province 1), Balaju School of Engineering and Technology in Balaju Kathmandu (province 3), Bheri Technical School in Nepalgunj (province 5) and Korea Nepal Institute of Technology in Butwal (province 5). They are also developing 24-month apprenticeship course curriculum for hospitality management.

Similarly, ENNSURE have conducted training with OJT (50% training at Institute and 50% training at companies out of 1696 hrs training) for about 3,000 people, of which 50% got employed. There has not been an evaluation yet, so it is unclear as to the employment status of the beneficiaries. ENNSURE are also planning for training with OJT for next 24,00 people. The training with OJT started from 2017 and certification leads to NSTB certification level 2. As their certification is leading to NSTB skill testing level 2, most of the beneficiaries are either already have a skill test level 1 certificate or have minimum years of work experience to match the eligibility for skill test level 2. This means that the beneficiaries may be both graduates of skills level 1 or existing employees being upskilled.

The logic model for the Short Training Courses with OJT component is presented below. The expected outcome is: 'Youths have improved their employability'. The indicators for measuring this outcome are:

- 90% of the graduates is certified by National Skill Testing Board (NSTB) and,
- 80% of the graduates are employed after the completion of training.

Among the targeted youths, 60% are from disadvantaged group (DAG) and 50% are women.
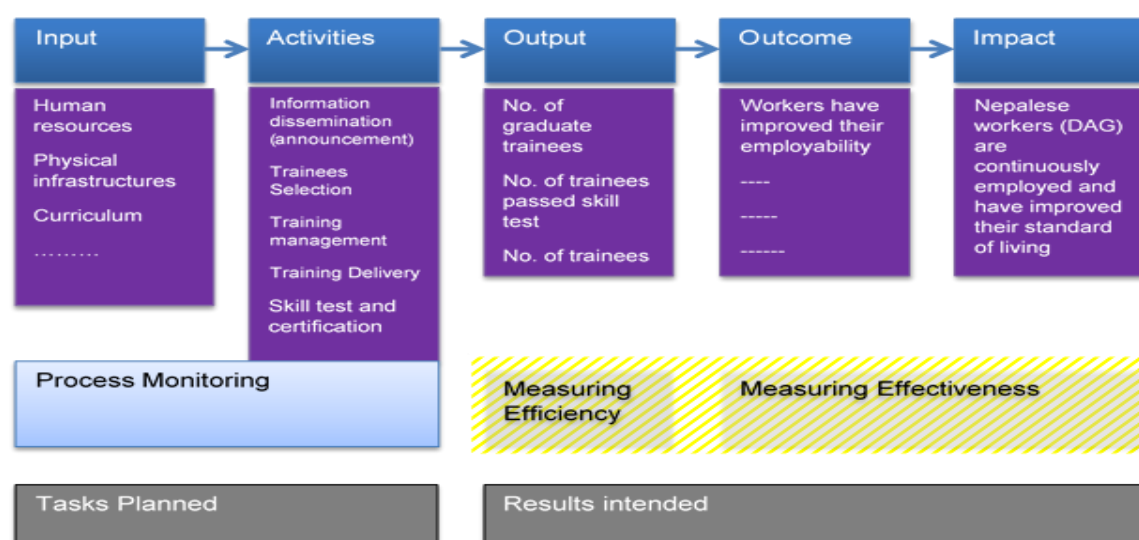
Monitoring plans for ENNSURE's apprenticeship and short course with OJT are available on the programme's website- http://enssure.org.np/documents-reports

Project	Enhanced Skills for Sustainable and Rewarding Employment (ENSSURE) Project

Funder	Swiss Agency for Development and Cooperation
Implementing Partner	Helvetas
Background	The project intends to address the issue of unemployment, underemployment and unfair pay facing the Nepali labour market resulting from the mismatch in skills demanded by the industries and that the workers possess, through different training modalities such as apprenticeship (1,500 people), short training courses with robust On the Job Training (OJT; 5,850 trainees) and workers' further training (**13,650 workers from 200 companies**).
Objective	Train 1,500 apprentices by 2019 (24-month training programmes)
Expected outcome and indicators	'Youths have improved their employability'. The indicators for measuring this outcome are, i. 90% of graduates are certified by the recognised authority and, ii. 80% of graduates are employed after the completion of the programme.
Expected outputs and indicators	The expected output of this intervention is: 'Youths have access to apprenticeship programme'. The indicators for measuring this output are, i. Targeted number of youths have enrolled in apprenticeship and appeared in the certification process, and, ii. Among the targeted youths, 60% are from the disadvantaged group and 10-50% are women.

Enhanced Vocational Education and Training Project (EVENT)

EVENT II is a World Bank US$60 million loan-funded project, implemented by GoN, with the objectives to improve equitable access to market-relevant training programs and to strengthen the Technical and Vocational Education and Training (TVET) sector service delivery in Nepal.

The project will finance the training of about 115,000 youths in the age group 16-40 years in CTEVT recognized short-term vocational training programs with special focus on disadvantaged and rural youth, women, and migrants (potential, repeat and returning migrants).

The bulk of short-term training will be supported using a results-based financing modality whereby payments will be made directly to the Training and Employment Service Providers (TESPs) according to agreed training outputs. Under this approach, TESPs will be responsible for recruiting potential trainees and training them. Results-based financing modality will support training of approximately 90,000 beneficiaries under the different categories.

Project	Enhanced Vocational Education and Training Project (EVENT)
Funder	The World Bank
Implementing Partner	Government of Nepal
Background	The project emphasizes in increasing access to technical education and vocational training (TEVT) programs for disadvantaged youth especially poor, living in lagging regions, female, Dalit, marginalized Janajatis and people with disability through targeting and other inclusive processes. The following is the program component (1) Strengthening TEVT regulatory activities and capacity building; (2) Strengthening Technical Education; (3) Support for short-term training and recognition of prior learning; and (4) Project management and monitoring and evaluation.

Objective	To expand the supply of skilled and employable labour by increasing access to quality training programs, and by strengthening the technical and vocational education and training system in Nepal
	The primary beneficiaries of the project are approximately 1,15,000 Nepali youth, who will get access to short-term skills training, technical education and opportunities for certifying their existing skills.
	Among the beneficiary to train 75000 youths belonging to poor families, lagging regions, women, Dalit, marginalized Janajatis, persons with disabilities
Expected outcome and indicators	(1) Employment rate of short-term training graduates 3 and 6 months after completing training in supported programs;
	(2) Enrolment in TSLC and Diploma courses in supported institutions; and
	(3) Number of NSTB certified youth without formal training
Expected outputs and indicators	

Dakchyata Practical TVET Partnership

Dakchyata / TVET Practical Partnership is a skills development project which operates across three industry sectors in Nepal: Agriculture, Tourism and Construction. Dakchyata is a four-year project which runs from 2017 to 2021 and is part of the overarching TVET PP programme funded by the European Union and managed by the British Council in partnership with the Council for Technical Education and Vocational Training (CTEVT) in Nepal.

Project	TVET Practical Partnership / Dakchyata
Funder	European Union
Implementing Partner	British Council
Background	Over the course of four years, the programme aims to contribute to Nepal's inclusive and sustainable growth through investment in human capital and by creating better employment opportunities.
Objective	The specific objectives are to strengthen and implement more effect policy in the Techincal and Vocational Education and Training (TVET) sector, which is responsive to labour market needs. The programme will pilot an integrated Public Partnership Approach in three key economic sectors i) agriculture ii) construction, iii) tourism, offering opportunities for promoting the transition to a greener, climate-resilient, low-emission economy.
Expected outcome	The expected results are as follows: 1.Role of the GoN in the TVET system enhanced and TVET governance improved (Result1); 2.Quality of the TVET provision and implementation scaled-up and reach out to the most disadvantaged ensured (R2); 3.Innovative Public-Private Partnership models piloted to enhance the relevance, quality and sustainability of TVET provision in Nepal (R3). British Council is managing activities under result 2 and 3 of the programme.
Expected outputs	R2 - Quality of the TVET provision and implementation scaled-up and reach out to the most disadvantaged ensured In each of the three key economic sectors, TVET PP will explore innovative approaches and participatory and sustainable methodologies to pilot sustainable Public-Private Partnership (PPP) models for TVET. This will be achieved through the provision of large scale grants to pilot sustainable local employer and community engagement models. Private sector's participation in planning, provision and financing will add value by making the TVET system

more responsive to labour market needs and enriching it with specific capabilities and expertise, innovative approaches and technologies.

Potential applicants will be encouraged to submit proposals for initiatives piloting PPP models, which could indicatively include activities to:

- Introduce apprenticeship and internship systems to provide TVET learners with work experience;
- Provide in-service training for current workers;
- Develop systems to integrate employer experts as part-time trainers or guest lecturers in TVET institutions;
- Pilot the joint management of vocational schools/centres by public and private sectors;
- Develop business-school partnership agreements;
- strengthen the capacity of the formal and informal private sector and TVET stakeholders to serve as partners for Government will also be supported throughout the pilots;
- Increase the number of inclusive, market-oriented training opportunities reflecting the needs of key industrial sectors and disadvantaged communities;
- Develop models to improve transition of TVET graduates into the labour market.

Annex 16 - Migration models for Challenge Fund Piloting [A2.3.1 & A2.3.2]

Introduction

The migration team has identified a number of existing demand-drive training that may be scaled up through SEP. Existing approaches will be encouraged to apply to the Challenge Fund, and should they meet the investment decision-making criteria and be selected for piloting, further evidence will be collected as part of the evaluative research on pilots.
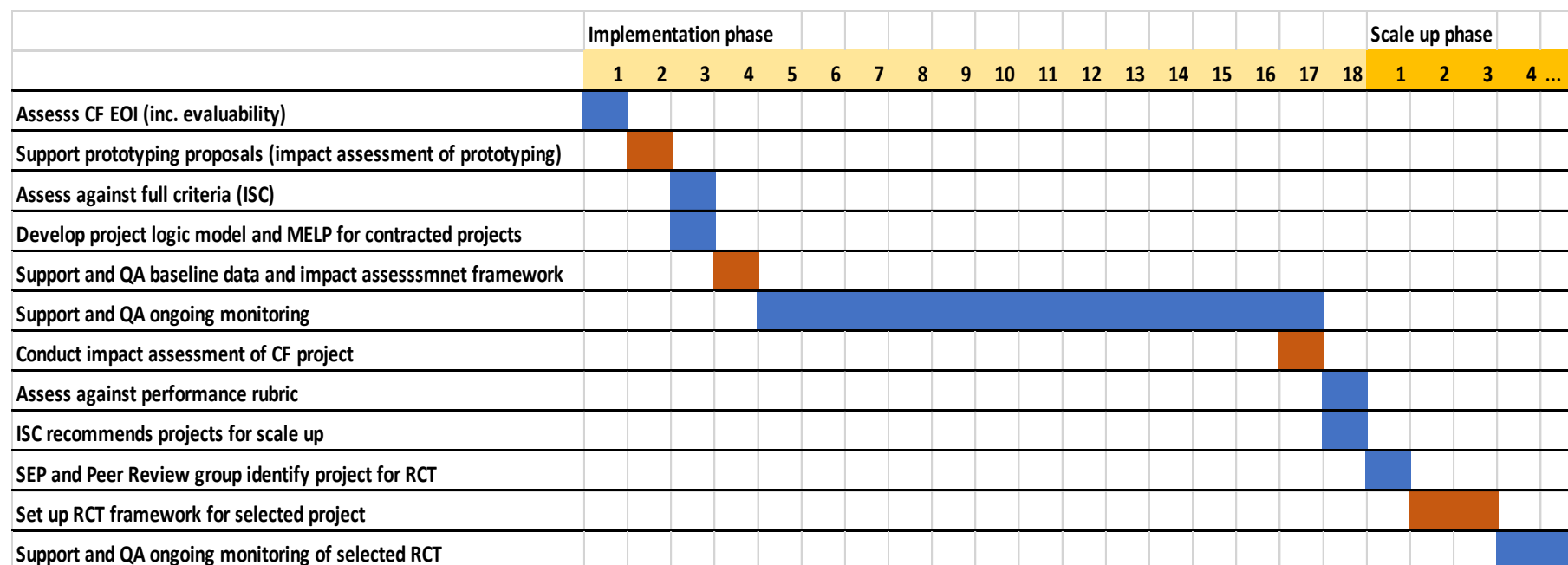
This section outlines the potential approach to impact evaluation for the five different models for the migration component. The impact evaluation will be determined on a project-by-project basis. Impact evaluation will be informed by the migration component Monitoring, Evaluation and Learning Plan (MELP), and the project-specific logic model and customised MELP. The figure below illustrates possible impact evaluation questions for migration model.
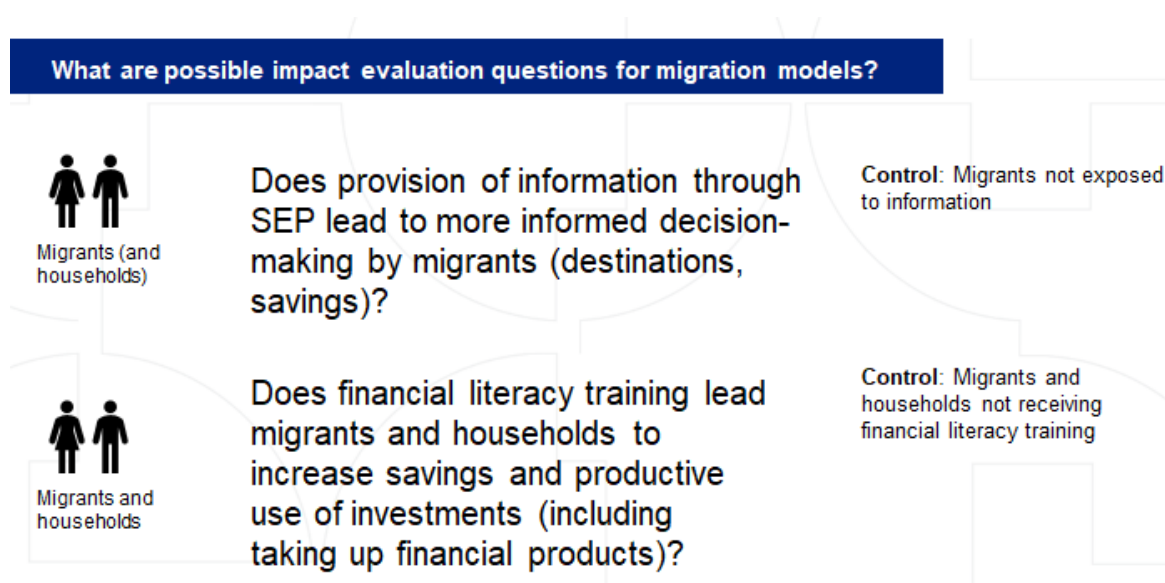
In addition, Table 27 presents the five models and then outlines the example impact evaluation questions, and the control options to assess SEP projects against.

The timeframe for undertaking different types of impact assessments, during the different stages of Challenge Fund projects, will differ based on when EOIs are received, the length of the training, and the time taken to establish a baseline etc. but an example timeframe is presented below in Figure 20. This example timeframe would apply for existing training approaches and new ideas and would apply to both skills and migration components.

Figure 25. Example timeframe for conducting different types of impact assessments for CF projects

	Implementation phase																		Scale up phase			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	1	2	3	4 …
Assesss CF EOI (inc. evaluability)	▣																					
Support prototyping proposals (impact assessment of prototyping)		▣																				
Assess against full criteria (ISC)			▣																			
Develop project logic model and MELP for contracted projects			▣																			
Support and QA baseline data and impact assesssmnet framework				▣																		
Support and QA ongoing monitoring					▣	▣	▣	▣	▣	▣	▣	▣	▣	▣	▣	▣	▣	▣				
Conduct impact assessment of CF project																	▣					
Assess against performance rubric																		▣				
ISC recommends projects for scale up																		▣				
SEP and Peer Review group identify project for RCT																			▣			
Set up RCT framework for selected project																				▣	▣	
Support and QA ongoing monitoring of selected RCT																						▣

Table 27. Potential impact assessment approaches for migration models

Window	Expected number of projects	Estimated Beneficiaries	Model (Refer to Table 1 above)	Nepal examples [33]	Beneficiary category	Impact evaluation question (examples)	Control options (examples)
Cost of Migration and Ethical Recruitment	5	16,000	9. Financial products for lowering cost of migration	FSI model of vertical integration for low cost and ethical migration	Migrants	How much are migrants able to save by taking up low cost financial products?	Standard rate financial products Estimate reduction of the interest rate on migration loans from (35-40%) to (15-18%)
					Migrants	How much migrants can reduce the cost of migration?	Migrants recruited to similar destination from RAs that do not practice low cost ethical migration business model.
					Migrants	How many migrants took up low cost financial products, and what is the average and cumulative savings?	Standard rate financial products
	5	7,000	10. Migrant skilling	F-Skills training centre, Gulf manpower (RA) and its scaffolding training	Migrants	How much more income can migrants get from skilling for specific jobs (e.g. security)	Same role in same destination without skills Estimate increase in gross revenue by 40% after skilling
	5-10	4,000	11. Access to factual information (innovative platforms/ technology)	Migrant resource centre/Use of App (for example MRC's run by SAMI project, ShuvaYatra App)	Migrants	Does innovative means to present / access information relating to migration change migrants' decision-making/behaviours? (e.g. destinations, take up of low cost financial products)	Standard information presentation
					Migrants and households	Does innovative means to present / access information	Standard information presentation

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[33] From idea bank and assessment of training models

						relating to savings and productive use of remittances change migrant households' decision-making/behaviours? (e.g. take up of financial products, allocating remittances)	
Savings and Investment	5	8,000	12. Financial products for savings and investment			How much can migrants benefit from saving (take up of official financial products) or productive use of remittances?	Not saving; Saving through non-formal means (under the pillow) Estimate number of financial products per household increases at least by 2 products
	5-10	10,000	13. Financial literacy			Does training in financial literacy remittances change migrant households' decision-making/behaviours relating to savings, productive use of remittances, and/or take up of financial products?	

Other migration programmes in Nepal

There are two main projects working directly related to migration and remittance related topic in Nepal – (i) Safer Migration and (ii) Samriddhi. However, migration has been a major theme of donor funded assistance as well as GoN. Hence, various organisations are exploring the topic to identify areas of intervention.

Promotion and Protection of Rights of Nepali Migrant Workers – Shubha Yatra Project was a project implement by CARE International in Nepal. This project completed in May 2014. The project completion evaluation recommended that for designing and implementing similar projects in the future, consider the following: (i) there is a need to develop a joint project with the focal ministries and department (MoLE, MoWCSW, MoFALD and DOFE) that will assist to sustain the gain at local level and involvement of line agencies; (ii) develop a co-funding/financing mechanism (matching fund) by VDC/DDC during the project; (iii) develop a mechanism to carry out public audit; (iv) while providing training, need assessment and market link and access has to be considered.

Safer Migration (SaMi)

SaMi addresses the needs of Nepali men and women who migrate to the Middle East and Southeast Asia on short term labour contracts to reduce the financial and social costs of migration and to increase its financial benefits.

Project	**Safer Migration**
Funder	Swiss Agency for Development and Cooperation (SDC)
Implementing Partner	Helvetas Ministry of Labour, Employment and Social Security (MoLESS)
Background	Labour migration has become a central pillar of Nepal's economy and about 400,000 men and women leave the country every year to seek work, mostly in the Middle East and Malaysia. While every second household now receives remittances, the governments' migration management and protection system has remained weak. Recruitment agents provide false documents at exorbitant costs; workers and particularly women are exploited and abused abroad without adequate support from the Nepal government and many migrant families at home disintegrate. SaMi addresses the needs of Nepali men and women who migrate to on short term labour contracts. The project facilitates access to relevant information, predeparture skills trainings, legal and psychosocial support. SaMi also strengthens government's capacity to effectively implement the labour migration policy and protect migrants.
Objective	To contribute to safer and more beneficial migration for men and women.
Expected outcome / Outreach	Women and men who prepare to migrate; in-service migrants and returnees, and families of migrants. Some 170'000 people will benefit from the project over four years. • Men and women migrants and their families reduce the social and economic costs of foreign employment and increase its benefits. • The Government of Nepal (GoN)has created systems and mechanisms to effectively implement the Foreign Employment Policy 2012.
Expected outputs	• Men and women migrants and their families in working districts have access to information on safe migration. • Victims of migration related exploitation and fraud have access to justice. • Migrants access vocational skills and financial literacy trainings. • Social costs of migration are addressed.

	• Civil society actors effectively advocate for protection of rights of migrants and their families. • GoN has the capacity to provide information and assistance to migrants and their families at the local level. • The service delivery capacity of government stakeholders particularly related to complaint handling and regulation of private sector actors (recruitment agencies, providers of pre-departure orientation) is strengthened. • MoLESS has developed a mechanism to improve the skills level of migrants. • MOLESS's planning, implementing and monitoring capacity is strengthened.
Learning	Low interest in skills training; Migrants and their families are not aware of the benefits of vocational skills training and its long-term benefit; Interest for vocational skills trainings was found to be lower - No patience of spending time for learning among the aspirant migrants, eagerness to pay back the high interest loan ASAP; Agents mislead migrants from taking up the training – Agents to earn money from the clients by misleading;
Achievement	• In the first phase (2012-2013), 795 disadvantaged migrants completed skills trainings and 75% of them are employed in destination country. • Second phase (2012-2014) 790 trained. • Third phase training for 800 and is still ongoing. • The employment rate is 77%. • 23 returnee migrant women trained. • Higher income earned by trainees (average monthly basis salary NRs. 22,500). Curriculums developed as per overseas need on Industrial Electrician, Plumbing, Scaffolding, Shuttering Carpentry, Steel Fixture, Building Electrician, Mason, awareness package for potential migrants. Trainings provided on the same. • Curriculum developed on Health education focusing on most common health problems faced by migrants.

Rural Enterprise and Remittance (RER)/SAMRIDDHI

Rural Enterprise and Remittance (RER)/SAMRIDDHI is an IFAD-funded project that aims at providing sustainable sources of income to poor households, migrant families and returnees migrants.

Project	**Rural Enterprise and Remittance (RER)/SAMRIDDHI**
Funder	International Fund for Agricultural Development (IFAD)
Implementing Partner	Government of Nepal – Ministry of Industry HELVETAS Agro Enterprise Centre (AEC) - the agricultural wing of the Federation of Nepalese Chambers of Commerce and industry (FNCCI)
Background	Rural Enterprise and Remittance (RER)/SAMRIDDHI is an IFAD-funded project that aims at providing sustainable sources of income to poor households, migrant families and returnees in the Eastern and Central Regions of Nepal, by supporting the creation and expansion of family, micro, small and medium rural enterprises, both in the farming and off-farming sectors. The project is a USD 68.2 million operation to be implemented on a 7-year period in 16 Eastern and Central districts. It will comprise three inter-linked components encompassing the full set of interventions required to support Rural Micro-Cottage and Small Enterprises (RMSEs) profitable and sustainable growth: Component 1 strengthens RMSEs and gathers all the activities aiming at facilitating RMSEs/migrants sustainable access to (i) business development services, i.e. non-financial services in support to enterprise creation or expansion; and (ii) vocational training and apprenticeship; Component 2 builds on results of component 1 by grouping all the activities aiming at facilitating RMSEs/migrants access to (ii) financial services provided at an affordable cost by sustainable financial institutions; and (ii) at mobilising migrant resources and skills for creating assets and developing profitable businesses; Component 3 includes activities promoting a favourable policy and institutional environment to support the development of RMSEs at a national scale and the contribution of migration to sustainable development.
Objective	Goal: Reducing poverty and achieving sustainable peace through employment-focused, equitable and inclusive economic development; Development objective: Viable rural micro, small and medium enterprises (RMSEs), both in the farming and off-farming sectors, provide sustainable sources of income to rural poor households, migrant families and returnees.
Expected outcome / Outreach	The total household outreach for the project is 125,000 direct beneficiary households. RER/SAMRIDDHI targets around 60,000 enterprises and 30,000 unemployed youth which, taking into account job creation, should make a total of 179,660 primary beneficiaries and their households, or altogether around 900,000 people. Furthermore, the project will provide financial education in-country and abroad to improve the saving and investment capacity of another 112,320 benefitting around 560,000 people in their households
Expected outputs	
Key Performance Indicators	Key performance indicators: (a) 87,500 direct beneficiary households (70% of target HHs) reporting increase of at least 20% in HH asset ownership within 4 years of project support, as compared to baseline (b) 10% of reduction in the prevalence of child malnutrition, as compared to baseline

	(c)	At least 33 % of target entrepreneurs, vocational trainees and apprentices are women
	(d)	60,000 rural entrepreneurs expand their existing business (i.e. have increased their income by at least 30%) or create a new one
	(e)	30,000 rural youth access job placement services
	(f)	30,000 RER/SAMRIDDHI-supported enterprises (20,300 new and 9,700 existing) are still in business after 3 years (RIMS), of which 33% owned by women/30% owned by migrant returnees
	(g)	21,000 RER/SAMRIDDHI-supported vocational trainees and apprentices, of which 33% of women, are in gainful employment over at least 6 months
Evaluation	RERP/Samriddhi has just started its third year since project effectiveness in Dec 2015. Its overall historic performance was assessed as "unsatisfactory".	
	The ongoing transition to the new federal system is requiring project implementation modalities and activities to be monitored and adjusted. This transition also provided opportunities for Samriddhi to actively support the positive development and practices of the new local government bodies, in particular in helping strengthen their capacities and sustainable service delivery modalities in areas relevant to the project development objectives.	
	Currently the project is going through a Mid-term review and a redesign process.	

Annex 17 – SEP Peer Review ToR

Background

The DFID-funded Skills for Employment Programme (SEP) will broker transformational partnerships with the private sector to propel growth in selected priority sectors through expanded access to quality skills training. The programme will focus on five sectors/industries with growth potential closely tied to skills for employment: tourism, agriculture, hydropower, ICT and light manufacturing. The models of partnership may include employer-led training, apprenticeships/ learnerships, mentoring/job shadowing, management skills, soft skills, in-person and on-the-job, mobile-based and career counselling and placement. Models will focus on solutions in the ICT, tourism, commercial agriculture, light manufacturing and hydropower/construction, all of which are key economic drivers for Nepal.

SEP will also help increase migrants' skills; lower financing and other costs of traveling abroad; and, increase savings and investment of remittances. SEP will reach over 90,000 Nepalis with the potential for an increase in income, as well as according greater employment opportunities for women, Disadvantaged Groups (DAGs) and Persons with Disabilities (PwDs).

SEP will draw on national and international resources and expertise to provide co-investment and technical advisory support to the private sector. It will use a Challenge Fund (CF) mechanism to collaborate with the private sector to bring in innovative training models in the above-mentioned sectors to address key gaps while also leveraging private sector resources. A challenge fund is a financing mechanism to co-invest matching programme funds for specific partnerships with the Nepalese private sector. A challenge fund invites proposals from companies and organizations to meet specific objectives such as skills training for employment; as a means of triggering investment to stimulate innovation for effective employment opportunities for the programme beneficiaries. In selecting innovative models for partnerships, the Challenge Fund will deploy eligibility criteria that will include:

- Market Failures: does the potential partner's proposal address market failures, such as: a) use of traditional learning methods that are not adapted for interactive learning, b) market gap created as workers fail to meet the skill demand, and c) employers hesitant to invest significantly in training as trainees are likely to work for a short period of time before taking learnt skills and leaving for better opportunities, etc.
- Quantity: Numbers of beneficiaries that will be reached and quantified benefits?
- Impact: What is the possible impact on poor people - are there likely improvements in livelihoods and opportunities?
- Innovation: Level of innovation in skills development approach?
- Additionality: What is the likely increase in employment and income?
- Inclusion: How does the intervention consider gender or disadvantaged groups or PwDs?
- Scalability: To what extent is there potential for the interventions to be scaled up?
- Leverage: Extent of private sector leverage/investment in the programme?
- Sustainability: How are the interventions systemic and the benefits likely to endure beyond the CF?

SEP has an overarching Monitoring, Evaluation and Learning (MEL) Framework (MELF) and skills and migration component MEL Plans (MELPs). A robust MEL system underpins SEP in order to continually learn and adapt at the project and programme level, and to share lessons at the national level, and to learn from other skills programmes in Nepal, and globally.

SEP will establish a MEL Peer Review to quality assure MEL reporting and results derived from the MEL system.

Roles and function of the Peer Review Group

The Peer Review group will comprise DFID Research and Evidence Division, and experts in MEL, migration, and skills. Representatives from SEP's MEL team and Leadership Group will engage with the Peer Review group.

For Randomised Control Trials (RCT), the peer review group will be expanded as required to include specialist RCT expertise.

The peer review group will:
- Review tools and methodologies used by the program to measure results, and SEP's performance evidence including progress towards output and outcomes (effectiveness), and other criteria such as relevance of SEP to Nepal's needs, the ongoing appropriateness of the Challenge Fund modality, value for money and sustainability
- review the tools and methodologies used by the program to measure results.
- Review and provide feedback on the notes from the 6-monthly reflection workshop(s)
- Advise on areas and opportunities for discrete utilization-focused research activities that will complement the existing MEL system
- Provide a national and global overview of skills and migration developments, and lessons that may be incorporated into SEP, and lessons for SEP to share externally
- Provide guidance and critique on selection of project(s) to undertake RCT(s), including methodology, analysis and reporting
- Participate with SEP team in joint debrief sessions, if needed, in London with the DFID Chief Economist and other MEL folks
- Offer critique and advise on SEP's MEL systems and approach, including:
  - Changes to the program Theory of Change (ToC) and component ToCs
  - Changes to the MELF and component MELPs on an annual basis
  - Guidance on independent reviews and/or evaluation, including Terms of Reference (ToRs), workplans and draft reports.

Meetings

The group will formally convene on an annual basis via teleconference to provide guidance on the MEL system and adaptive management. These meetings are expected to last 3 hours.

Additional meetings may be scheduled if the need arises, as requested by SEP or DFID, or by the Peer Review Group following a regular meeting. For example, a meeting will be scheduled at the end of SEP's pilot phase (18 months following start of implementation) to review the end-of-pilot-phase report that includes results of pilot projects and recommendations for scale up.

An agenda and relevant documents will be circulated to members of the group prior to meetings. The Peer Review group may be asked to provide remote support, including advice, review of specific reports or strategic documents, participation at external meetings etc.

The expected level of effort for members will be up to 5 days per year.

SEP will provide secretarial services to the Peer Review group, including video conferencing and regular access to relevant information from internal and external monitoring and evaluation activities.