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EVALUATION OF THE HOSPITALITY INDUSTRY INTERNSHIP PROGRAM

**AN INITIATIVE OF THE USAID SMALL GRANTS PROGRAM
(USAID/SGP) IN TIMOR-LESTE**

JUNE 2008

This publication was produced for review by the United States Agency for International Development. It was prepared by DAI.

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(USAID/SGP) IN TIMOR-LESTE**

USAID Contract Number: DOT-I-00-03-00004
Task Order Number: 801, Under the SWIFT II IQC
Timor-Leste Small Grants Program (SGP) Implemented by DAI

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ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AECI	Spanish Cooperation (Agencia Espanol de Cooperacion Internacional)
AusAID	Australian Agency for International Development
CTID	Centro Treino Integral e Desenvolvimento, Baucau
DESD	Division of Employment and Skills Development
EHT	Escola Hotelaria e Turismo
ETDA	East Timor Development Agency
ETP	Escola Tecnica Profissional Santa Maria Mazzarello, Venilale
GOTL	Government of Timor-Leste
JPTC	Joao Paulo II Training Center
LMI	Labor Market Information
NDP	National Development Program
NZAID	New Zealand Agency for International Development
RDTL	Republica Democratica de Timor-Leste
SSVTE	Secretariat of State for Vocational Training and Employment
UES	Urban Employment Survey
UNTL	Universidade Nacional de Timor-Leste
USAID	United States Agency for International Development
WB	World Bank
YES	Youth Employment Survey

EXECUTIVE SUMMARY

This report presents the results from the evaluation of the design, management and implementation of the Hospitality Industry Internship Program or HIIP. The evaluation's objectives were to analyze and document the program's performance and impact while informing considerations for an expanded program or replication.

The evaluation's findings indicate that the pilot program was quite successful. USAID support for an expanded internship program in the hospitality and tourism sector is strongly encouraged. The expanded program should incorporate as core elements competency based skills development and on-the-job (OTJ) training, as well as an updated Record of Achievement.

The Government of Timor-Leste (GoTL) and interested donors should consider the pilot's approach, objectives and core elements as largely applicable to opportunities for workforce development and job skills training in other sectors such as construction.

HIIP serves as an effective demonstration of a practical, cost effective means for improving job skills while helping to develop the quality workforce necessary for Timor-Leste to prosper. A summary of key findings and additional recommendations are included below.

Summary of Key Findings: Of the 28 interns who began the program's OTJ training phase, 26 successfully completed the program. Among those completing the program:

- 96% (25/26) were considered by sponsoring businesses as deserving of a job offer;
- 85% (22/26) have already been offered a job by one of the HIIP partners;
- 82% of these (18/22) have accepted a job offer (as of 5 June);
- Remaining 18% (or 4) of those offered jobs but not yet accepting it (as of 5 June) indicate plans to continue their education.

The choice of the hospitality and tourism sector and selected competencies (housekeeping, front office, and food and beverage) were appropriate. The process for selecting hotels and placing interns was effective for the limited scope and scale of HIIP though there is room for improvement in the expanded program.

The program helped establish an effective partnership involving the participating schools, youth graduating from them, industry and the government. While nascent and largely situational, this partnership needs to be nurtured, expanded, and strengthened. There is broad interest among all existing HIIP stakeholders for expanding the internship program in a follow-on effort. The expanded program should incorporate and employ much of the framework and approaches that proved effective in terms of the process, implementation and outcomes from HIIP. The scaled up program should continue to focus primarily on the hospitality and tourism sector. Rolling enrollment for both interns and sponsoring businesses will also encourage broader industry participation and strong internship candidates.

An expanded partnership will help ensure broader buy-in for sponsoring effective OTJ training and work experiences. Participation should be encouraged and increasingly seen as the norm. An effective partnership will also foster a critical and informed constituency essential for improving education and

training efforts, job skills valued by employers, and for developing an expanded qualified workforce necessary for helping both Timor-Leste and the Timorese to prosper.

Feedback from stakeholders: Representatives from participating businesses, schools, and the training institutions considered the working relationship with one another, and with SGP's personnel, to be quite good and effective in terms of coordination and communication. Business representatives considered the interns' level of preparedness prior to beginning OTJ training as generally adequate, though lacking in some key respects, including both hard and soft skills. All noted steady improvement in technical and job skills acquired through the internship.

Most employer representatives and a slight majority of interns viewed the compensation package (\$85 per month) as fair and considered the duration of OTJ training period adequate. Supervisors from sponsoring schools and especially interns valued the pre-work and off-site complementary training. Business representatives were appreciative of this training in principle, but owners were generally less informed about its content and thus more ambivalent about its impact or value.

Occupational standards, and the means for tracking performance in meeting them, were highly valued by all stakeholders. Interns valued the Record of Achievement and resulting certification of skills acquired as a means for improving job prospects. The record in its present form, while developed and vetted with industry representatives, is considered as not yet particularly well suited to the Timorese context or workplace conditions and there is room for improvement.

Summary Conclusion: This pilot internship program, or HIIP, was by intent limited in terms of its scope and scale. Nonetheless, the design and development of the program were solid. Implementation performance, outcomes and impact generated, although limited in scope, are laudable.

Not only was the approach for implementing HIIP practical, it also managed to bring together critical actors and institutions, each with different perspectives and objectives, to collaborate in support of a shared goal. The nascent partnerships fostered include representatives from critical sectors, especially schools/training centers and businesses, as well as government. This partnership can and should be reinforced, expanded and strengthened.

A stronger, more capable partnership building upon relationships established through HIIP will expand the vital constituency for developing, adapting and adopting appropriate occupational standards and improving training to meet them. More importantly, such a partnership can serve as a vital catalyst for improving policy and practices needed to more effectively develop job skills leading to employment and the quality workforce needed for economic growth and stability.

Summary Recommendations:

- Expand internship program with the Hospitality and Tourism sector;
- Strengthen the partnership involving industry, schools/training institutions and the GOTL;
- Strengthen Timor-Leste's capacity to improve job skills and OTJ training;
- Improve the duration / intensity and type of pre-work and off-site or complementary training;
- Maintain as a core feature the Record of Achievement for assessing skills and competencies acquired but improve it through consultations with stakeholders and those using it.

1.0 INTRODUCTION

The USAID funded Small Grants Program (SGP) in Timor-Leste, which will end this year, has focused on supporting communities, organizations, and government in their efforts to build a stable, economically robust, democratic country. With focused grant making and management, DAI, which implements the grants program, has sought to build capacity in Timor-Leste's young government and its nongovernmental community by providing partners with vital services and supplies, such as training and equipment.

In 2007, SGP supported the design and subsequent implementation of a six-month pilot internship program focusing on the hospitality and tourism sector. The Hospitality Industry Internship Program (HIIP) worked with nine Dili-based hotels and restaurants that agreed to sponsor up to 30 interns and provide on-the-job (OTJ) training in three core areas of expertise: food and beverage service, housekeeping, and front-office administration. Participating interns were all graduates of hospitality and tourism programs from two private secondary technical schools: the Escola Tecnica Profissional Santa Maria Mazzarello (ETP) in Venilale and Centro Treino Integral e Desenvolvimento (CTID) in Baucau.

In addition to supporting OTJ training in cooperation with sponsoring businesses, the three grants SGP awarded to fund HIIP, the program provided institutional support to these two schools and Joao Paulo II Training Center (JPTC), which provided supplementary off-site skills training. ETP, CTID and JPTC were the HIIP grantees, and worked closely with businesses and SGP to implement this initiative. Additional training and capacity building were provided to teachers from the schools and training center as part of HIIP's institutional strengthening component.

Interns received pre-work and off-site training complementing the training received on-the-job during their work experience as well as follow up training upon the completion of their work experience. Participating interns were responsible, in collaboration with supervisors at work and from sponsoring schools, for tracking their progress through the record of achievement (ROA). The record was developed as an instrument for measuring skills and competency levels acquired during the internship. It reflected the occupational standards proposed in the design phase, vetted with and validated by stakeholders at the time, and adopted as a key feature of HIIP.

HIIP's key stakeholders included representatives from businesses sponsoring interns, the interns, the two schools from which they graduated, participating training institutions, relevant agencies within the Government of Timor-Leste (GOTL) and SGP. Stakeholder contributions were essential to generating positive results in this program as well as the evaluation of it.

The evaluation has had two primary and inter-related objectives. The first is to analyze and document the pilot program's performance and impact. The second objective, drawing upon the findings from the first, is to inform considerations for similar efforts or its expansion through a follow-on program. The evaluation scope of work with greater specificity on the evaluation's aims and objectives, the methodology employed, and the timeframe in which it was conducted, are available in the "Work Plan" included as Annex 1. A list of contacts and key references consulted during the evaluation are included as Annexes 2 and 3. Annex 4 provides the summary results from completed questionnaires completed with input from business representatives and interns. Grants supporting HIIP are included as Annex 5.

2.0 PROGRAM DESIGN AND DEVELOPMENT

2.1 BACKGROUND AND RATIONALE

In the aftermath of events in 2006, several in-country studies identified a lack of marketable skills among youth as both an impediment to economic development and as a contributing factor to instability in Timor-Leste. While Timorese youth in particular confront bleak employment prospects, employers are constrained by an untrained and unskilled workforce that hampers business activity.

As part of its response to clearly identified needs, USAID in Timor-Leste provided a \$5 million grant to Education Development Center (EDC) to implement the JOBS Opportunity Program or *Juventude iha Oportunidade ba Servisu*. Over its three-year duration, the JOBS program seeks to provide 2,500 Timorese youth outside of Dili with the opportunities to develop and utilize work readiness, technical skills as well as financial, entrepreneurial, leadership and other life skills.¹

In addition, in August 2007, USAID/SGP engaged an independent consultant to explore the viability of establishing a pilot program for an apprenticeship or internship program that provided linkages between youth interested in acquiring additional skills and work experience with employers seeking a more skilled workforce. The consultancy resulted in the design of, and subsequent approval for, the Hospitality Industry Internship Program (HIIP). SGP awarded three grants with a combined total of \$85,811 in program funding to implement the pilot initiative. The program's performance and impact constitute a primary focus of this evaluation report.

2.2 KEY DESIGN FEATURES AND COMPONENTS

As part of his tasks to design the internship program, the consultant met with relevant stakeholders from ILO, USAID, Dezenvolve Sector Privadu (DSP) and counterparts from the Government of Timor-Leste (GOTL) especially representatives of the Secretariat of State for Vocational Training and Employment (SSVTE) and the Ministry of Tourism, to assess options and potential design features.

The consultant conducted a survey of small and medium scale enterprises in Dili to gauge the willingness and ability to host apprentices or interns. He reviewed lessons from the ILO supported STAGE program to avoid possible duplication with this and other government or donor supported efforts and also identified potential training partners and grantees capable of administering the proposed project. Finally, in a half day workshop organized by SGP in late August, the consultant presented key design concepts and features to stakeholders, including representatives from businesses, educational institutions and the GOTL.

During the workshop, the consultant presented and proposed as a model for Timor-Leste, industry specific occupational standards developed by the Technical Education and Skills Development Authority (TESDA) in the Philippines. Industry representatives participating in the workshop reviewed the

¹ JOBS Opportunity Program, "Providing Youth for Successful Livelihoods in Timor-Leste", April 2008.

standards, considered them applicable, and concurred with the proposal to adopt them as the HIIP standards for measuring skills developed and levels of competencies acquired.²

The design anticipated that SGP would support the program implementation in partnership with educational institutions and businesses from the hospitality / tourism sector willing to provide interns on-the-job (OTJ) training through work experience of 5 and a half months duration. Up to 30 participating interns who met the eligibility requirements would also receive pre-work training before initiating the OTJ training phase, complementary off-site training during the work experience, and off-site training over a two-week period following it. Based on the results of the survey, discussions during the workshop and subsequent dialogue with potential interns, training providers and hotel owners, the consultant recommended a small-scale internship program focusing on the hospitality-tourism sector. The chart below presents a summary of the program’s characteristics as designed.

CHARACTERISTICS OF HOSPITALITY INDUSTRY INTERNSHIP PROGRAM AS DESIGNED	
Occupations	Food and beverage service; house-keeping; front-office; cooking
Standards	Occupations & competency-based standards drawn from TESDA
Components	2 week pre-work program; 5 ½ month internship; post-OTJ training
Interns	Graduates of secondary technical schools’ hospitality/tourism programs
Numbers	Approximately 30
Training inputs	Pre-work training covering basic skills corresponding to established occupational standards delivered by ETDA On-job training (OTJ) and work experience Series of short, off-site training and workshops Workshops provided by resource persons, e.g. customer service After OTJ training (originally job search skills / entrepreneurship)
Record of Achievement	To document achievements re: training courses completed, hours in the occupation, number of skills and level of competency acquired.
Management	USAID/SGP to manage the pilot program.
Cost sharing	SGP and sponsoring companies to split costs of stipends (\$85/month) for interns during OTJ training; SGP to cover other costs.

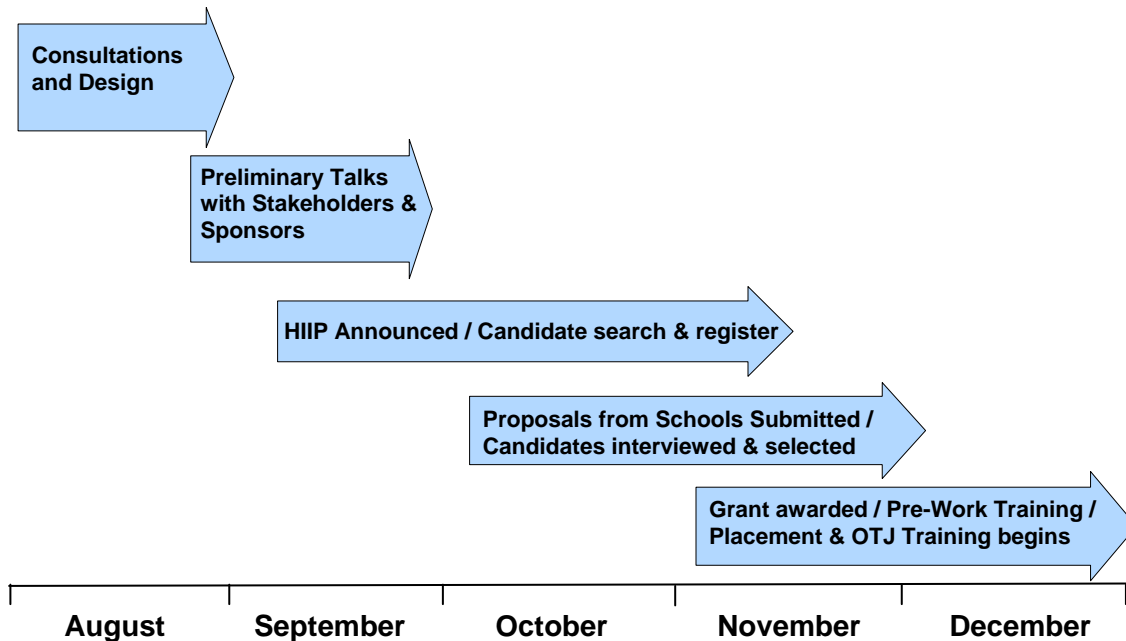
2.3 PROGRAM DEVELOPMENT AND GRANT EXECUTION

Upon completion of the design in September 2007, the task of developing it further and putting the plan into action for the November start date fell to SGP. Under the leadership of SGP’s Program Development Specialist Antonio Gusmao and critical contributions from Grants Manager Inacia Santos, among others, SGP moved quickly to develop the initiative, negotiate arrangements with partners and participants, and award the grants to implement HIIP.

Establishing Partnerships: During this phase, SGP staff revisited and engaged, on multiple occasions in some instances, business owners, managers and supervisors from over 20 Dili-based establishments in the hospitality sector (mostly hotels and restaurants). Ultimately, representatives from nine of the businesses committed in principle to sponsoring as many as 30 interns provided the candidates passed the grade.

² Shears, Arthur Earl. “Mission Report: Apprenticeship Survey and Design” September 2007. Report for USAID/SGP under SWIFT II; Small Grants Program; Contract #DOT-I-00-03-00004, Task Order 801.

SGP also collaborated closely with government counterparts including SSVTE and the Tourism Directorate, as well as with the schools and training centers that would serve as the grantees and the providers of a good part of the training to complement what the interns would garner through their work experience.



PROGRAM DESIGN AND DEVELOPMENT (AUGUST–DECEMBER 2007)

Government Counterparts: Representatives from SGP coordinated closely with the SSVTE and ILO in both the design and development of HIIP. They agreed that the program should adopt key elements from the government’s efforts to support work experience and to make available lessons learned from HIIP’s use of competency based training and established occupational standards (record of achievement). SGP and SSVTE agreed that eligibility for the internship would be restricted to individuals who already had some relevant technical training that could upgrade skills (rather than introduce them) through the internship program.

HIIP candidates would be selected from a pool of candidates who possessed the relevant background and training in areas such as food preparation and hospitality and registered with SSVTE’s District Employment Center (DEC). All agreed that the level of compensation or stipend paid to interns should correspond to the prevailing minimum wage (\$85/month) with SGP committed to splitting evenly these costs with participating businesses.

Representatives from SSVTE committed to publicizing the program and eligibility criteria and registering interested candidates by collecting relevant data, such as contact information, and incorporating it into

SSVTE's database.³ The government agency committed to contacting and mobilizing the eligible candidates to meet at Dili District Employment Center on a set date and time so that SGP – which had leased two buses – could transport the candidates to participate in interviews scheduled with owners and managers from participating businesses.

Participating Schools / Training Institutions: During the design and development phase, SGP staff held preliminary discussions with representatives from schools, especially those from Escola Tecnica Profissional (ETP) and the Centro Treino Integral e Desenvolvimento (CTID). As part of these discussions, SGP staff assessed the schools' willingness to supervise and support interns who graduated from their respective programs as well as the schools' interest in serving as grantees through which SGP could direct HIIP funding. As grantees, ETP and CTID would be responsible for coordinating the interns' registration in the referenced database, their attendance in the pre-work training and off-site customer service training and monitoring the interns' performance on the job on a regular basis.

In addition to HIIP's planned support for both OTJ and complementary training for interns, the Program would also provide the schools and Joao Paolo II Training Center (JPTC) with some limited support to strengthen their institutions, especially their hospitality and tourism programs, in the form of equipment, supplies, instruction materials and curricula, as well as capacity building for teachers.

JPTC was the third and final grantee under HIIP. The Dili based institution received computer equipment and supplies to help the Center develop and implement a series of competency-based training for interns to complement the skills development they were receiving through OTJ in front office management, housekeeping, as well as food and beverage services. HIIP grants funded additional off-site training by engaging Legacy Consulting to provide the referenced customer service training and improved curricula to teachers, as well as training for interns and some staff from sponsoring businesses. Finally, HIIP grant funding covered the costs of both pre-work and post-OTJ training provided by the East Timor Development Agency (ETDA).

2.4 GRANT AWARDS: OBJECTIVES, ACTIVITIES AND TIMEFRAME

Grants: SGP issued three grants⁴ to ETP, CTID and JPTC in October, November and January respectively to support HIIP implementation through its end in June 2008. As anticipated, interns were selected from a pool of candidates who completed the hospitality and tourism programs of secondary technical schools ETP and CTID. These institutions provided internship candidates as well as the critical commitment to sponsor and supervise their former students' participation in the program. For a number of reasons, graduates from Becora's Escola Hotelaria e Turismo (EHT) were not included as interns. Becora students were participating in another internship program not scheduled to end prior to the beginning of HIIP. There were also doubts about Becora's capacity to provide necessary sponsorship and supervision. The third grant was awarded to the Dili-based JPTC, currently developing a program in hospitality and tourism, to provide off-site competency based training in core occupational skills for interns during their work experience. All three schools benefited from limited institutional support in the form of materials, equipment and training for teachers and instructors.

³ SGP letter to Secretary of State for Labor dated 12 September 2007, requesting registration of graduates of Tourism & Hospitality schools and proposed content of announcement for Radio Timor-Leste.

⁴ For detail please refer to USAID/SGP grants #1 (DAI-181); #2 (DAI-185) and #3 (DAI-200).

Grant Objectives - The primary objectives of the three grants awarded for HIIP were to:

- Develop and test competency-based training systems and tools to provide lessons learned for organizations that wish to support additional internship or on-the-job (OTJ) training programs;
- Provide selected graduates from participating learning institutions the opportunity to build practical skills through real work experience and targeted training; and,
- Upgrade training facilities, instruction material, curricula and teaching capacity associated with the hospitality and tourism programs of participating institutions.

Anticipated Results – The three grants defined the following as their intended results:

- Up to 30 interns from participating educational institutions selected and engaged in the 6-month pilot program featuring on-the-job training with participating companies in the hospitality and tourism sector.
- Instructional materials, lessons learned and recommendations resulting from this pilot project will be made available to RDTL, other donors and the private sector to help inform other follow-on internship or on-the-job training initiatives.

Activities/Deliverables (2007/ 08)	Nov/Dec	Jan	Feb	Mar	Apr	May	Jun
Pre-work training component (ETDA)							
On-the-job training (5½ months)							
Customer Service Training (Legacy)							
Off-site training (John Paul II TC)							
Institutional Support / Teacher Training							
Follow-up (Post-OTJ) training;							
Certificates for skills acquired							

Activities and Timeframes: The grants supporting the internship program as designed and modified through development included institutional support, a pre-work training component provided by ETDA; 5 ½ months of on-the-job (OTJ) training provided by sponsoring businesses; and complementary off-site training as well as training in job search skills and entrepreneurship at the end of the internship. The chart above provides a summary of HIIP components and activities along with the timeframe corresponding to their implementation.

Grant Funding - The combined total budgeted for the three SGP grants is \$85,811.⁵

⁵ This included the original total amount of combined grant funding and additional resources allocated through modification to support additional or different tasks authorized through subsequent amendments.

3.0 PROGRAM IMPLEMENTATION AND PERFORMANCE

The three grants SGP awarded to fund HIIP implementation closely reflected the characteristics of the program as designed. There were some adaptations made during the development phase and even during implementation. The duration of the pre-work training was condensed from two weeks envisaged during the design phase to one week without reducing the 30 hours of instruction so that interns could begin their OTJ training on the established dates.

SGP also anticipated providing interns with training in job search skills and entrepreneurship following their work experience. As HIIP progressed, SGP and the school representatives considered this type of training less relevant for this group of interns, and interns were provided with intensive English language instruction by ETDA instead. Given that many if not most seemed destined to receive job offers from sponsoring businesses and their representatives consistently expressed the need to focus on improving the interns' language skills, this decision adopted during the program's implementation was a good one and reflected the flexibility of stakeholders to maximize benefits for HIIP participants.

A number of factors, mostly related to timing, affected the ultimate number of participating businesses. For example, the short timeframe from the completion of design to program start date prevented an even more robust effort to engage private sector sponsors. The November start date also proved inconvenient for a number of enterprises otherwise interested in participating. SGP staff indicate another 8 to 10 additional enterprises in the hospitality-tourism sector would have likely participated in HIIP if there was more flexibility in the timing for initiating the program.

As agreed upon, SSVTE publicized the program through the media and registered candidates in the District Employment Center (DEC) in Dili. Following SSVTE's public announcements, 53 potential candidates, all graduates from hospitality programs, registered as required. Unfortunately, when the time came for these candidates to mobilize for the scheduled testing and interviews with prospective sponsors, only a few showed up. Unfortunately, most of the prospective candidates did not receive word that they were to mobilize on the day. Further, information from SSVTE's database proved incomplete, especially regarding contact information, complicating SGP efforts to reach prospective interns.

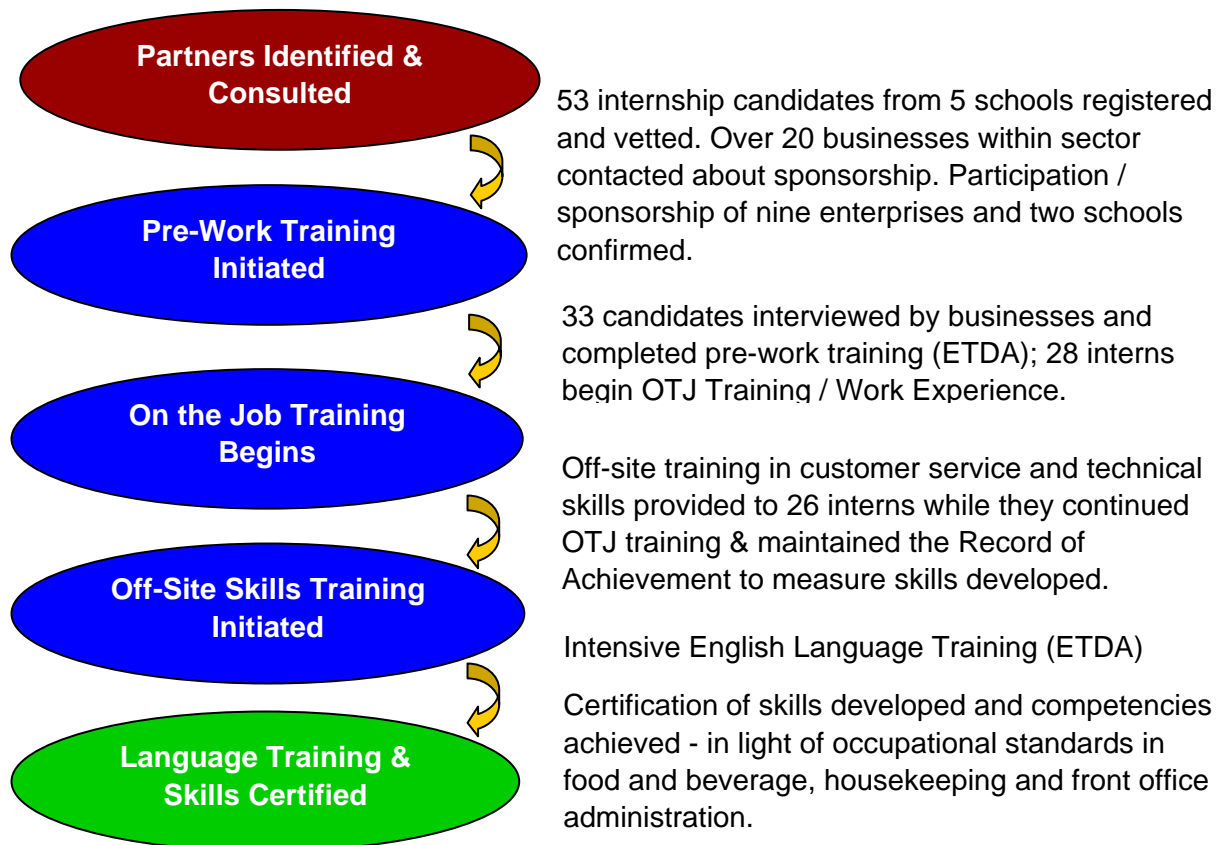
To address the challenge, SGP, which had leased two buses to transport the candidates, informed the relevant businesses of the need to change the date and arrangements for conducting interviews. Through contact with friends, families and former teachers of the prospective candidates, SGP personnel managed to reach those who registered, but for whom no reliable contact information existed, to advise them of the new schedule for tests and interviews.

Once the vetting and interviewing process began, business representatives tested and evaluated prospective candidates. One potential participating business rejected all candidates, while a few establishments rejected one or more candidate proposed. In some instances, interns underwent testing and as many as three interviews prior to their final selection by a sponsoring businesses. Due to delays in

completing the interviewing process, pre-work training commenced even before placement of the interns at sponsoring businesses was settled. This was a calculated risk in that at least some of the HIIP resources dedicated for the pre-work training provided by ETDA may have been for naught if some of the interns wound up without the follow-on work experience opportunity. However, SGP staff mitigated this risk by ensuring that the interns who were not yet offered a position with a sponsoring enterprise continued the interview process that resulted in the full placement of internship candidates.

Meanwhile, five internship candidates dropped out during pre-work training or immediately after OTJ training commenced. Interviews with three of the five who dropped out at that juncture revealed rather mundane reasons for doing so, including trouble scheduling work hours or in one case an indication that a friend and fellow internship candidate had failed to notify her about the date the work experience was set to begin. The remaining 28 interns continued with the program and training.

IMPLEMENTATION PROCESS AND OUTCOMES



For their part, representatives from the participating schools and training center fully and effectively engaged in HIIP as anticipated. They ensured that the their students were informed of the need to register at the SSVTE’s District Employment Center, helped coordinate the interns’ attendance in the pre-work training and off-site training while providing support and monitoring interns’ performance on the job. SGP worked with representatives from ETP, CTID and JPTC to identify the materials, equipment and

training to be included as part of the institutional strengthening component. As the interns' training efforts advanced, SGP provided training, equipment, supplies and instruction materials to the schools and training center and funded a study tour to build capacity of teachers and instructors in the hospitality and tourism programs.

Specifically, grant funding provided updated instruction material to replace the outdated Indonesian curricula for 25 teachers and instructors to use as references, and new instruction manuals on front office administration, restaurant management, and housekeeping. To improve teaching facilities, the grant provided funds for some new kitchen appliances and equipment, restaurant service supplies, desktop computers, and a reception desk. As part of the HIIP supported capacity building efforts, Legacy Consulting provided a workshop in customer service for two dozen teachers from the participating schools. In addition, HIIP funded the travel, tuition and associated costs that enabled three teachers to improve their professional teaching capacities in a 2-week training program provided in Bali by STIM/PPLP Dhyana Pura, a well-regarded school for hospitality and tourism.⁶

Legacy Consulting also provided customer service training for interns and some hotel staff along with the referenced workshop for teachers. The Jakarta based firm had been highly recommended to SGP staff by a SSVTE representative.⁷ Participants in the training and workshop provided by Legacy valued this opportunity to learn more about this central tenet of the hospitality and tourism sector, and expressed interest in obtaining more of this type of training. The consultants observed interns on the job, conducted pre- and post-training diagnostics, and drew upon their relevant expertise within the sector to inform the thoughtful observations and analysis included in their brief yet insightful final report on Legacy's deliverables and outcomes.⁸

Two interns who began OTJ training, and by all accounts were performing well, dropped out of the program midway through the work experience. The reasons were personal as opposed to work related. In one case, it was due to health. In the other, it was due to circumstances in which a former boyfriend of the intern was apparently harassing her, including at the workplace. As a result, she decided it would be better to quit. The remaining 26 interns continued through the completion of the program.

Through OTJ training and work experience, interns focused acquired skills in at least one and generally several of anticipated areas of concentration including food and beverage service; housekeeping; front-office administration; and food preparation or cooking. Managers and supervisors made decisions on which areas interns would best serve based on their aptitude, attitude, level of technical capacity and language skills, especially English. Interaction with clients for example often required a level of English language proficiency as well as confidence, enabling young, and predominantly female, interns to attend clients effectively. During the work experience phase, JPTC provided competency based skills training in these same occupational areas to complement training interns received on the job.

The content of instruction was informed by the occupational standards established during the design phase and adjusted in response to input the training center received from sponsoring businesses. For example, to address what employers had identified as shortcomings resulting from the interns' inexperience in working with alcoholic beverages, JPTC set up a mock bar with training participants and

⁶ Eva Martins Freitas, Bendita Soares da Conceicao (ETP) and Norberta Dos Reis Belo (CTID) participated in the Bali based training program, and were referenced in the media there (Bali Post 13 May 2008).

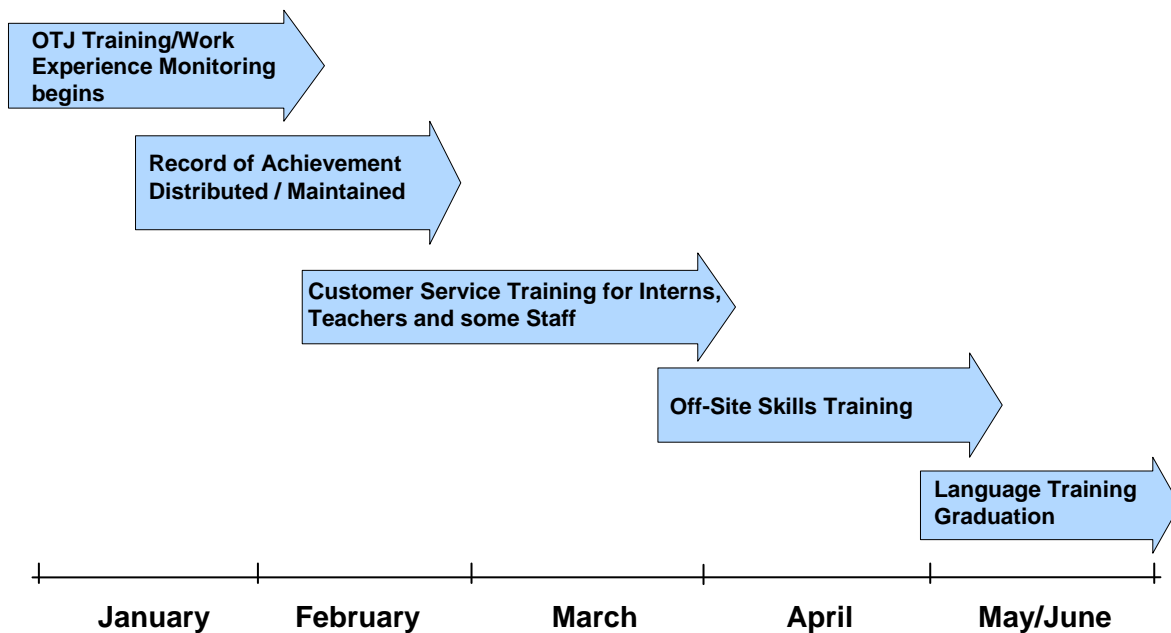
⁷ SSVTE Advisor Annie Keogh was familiar with Legacy and the GOTL agency hired them to train its own staff.

⁸ Legacy Consulting: Final report on deliverables and outcomes of Customer Service Training; Feb. 2008.

instructors alternating in performing roles as servers and clients. In response to input from businesses on the need for improved language skills, teachers from JPTC also provided some additional English language instruction as part of the off-site training.

Meanwhile, interns regularly worked with supervisors from work, sponsoring schools, and training providers, to maintain their individual Record of Achievement to document the technical skills for which they received training as well as the corresponding level of competencies in specific occupations. All representatives from business, including owners, managers and supervisors, noted steady improvement among the interns' skill levels and confidence throughout the internship period.

PROGRAM IMPLEMENTATION (JANUARY–JUNE 2008)



HIIP COSTS: CONTRIBUTIONS AND COST/BENEFIT

Contributions: Private sector partners provided complementary funding equal to 50% of labor costs for the interns' \$85 per month stipend, for a combined total of around \$9,000. Businesses also provided additional salary for those working over specified time in a given period and often provided additional in-kind support to interns in the form of meals, transport and on occasion, accommodations. Businesses of course also provided the enormously valuable in-kind contributions of OTJ training and opportunities for interns to gain real work experience. SSVTE contributed in-kind support through the provision of publicity through the media to advertise the program and by registering candidates. The three participating schools (and grantees) provided in-kind contributions equal to an estimated \$14,000 through the provision of materials, facilities, staff time and operational costs associated with supervision and

monitoring. USAID/SGP's contributions, through the three grants awarded, was \$85,881. Details of SGP's contributions are included in the chart below.

HIIP: PROGRAM COSTS – BUDGETED (COMBINED FROM 3 GRANTS)		
Activity	Description	Cost
Pre-work Training	Transportation	\$420
	ETDA Course fee (33)	\$4,290
	Sub-total	\$4,710
On the Job Training	Interns salary (50% only)	\$8,670
	Sub-total	\$8,670
Customer Service Training	Trainers salary - 2 persons	\$8,400
	Travel expenses	\$1,536
	Lodging and per diem	\$2,920
	Communications	\$80
	Training venue	\$1,000
	Vehicle rental and fuel	\$1,471
	Meals and snacks	\$1,461
	Sub-total	\$16,868
Four Competencies Training	Training fee	\$270
	Landline fee	\$150
	Meals during training	\$360
	Taxi fee	\$354
	Sub-total	\$1,134
Materials Support/ capacity building	Equipment / supplies – ETP	\$20,114
	Equipment /supplies - CTID	\$17,560
	Equipment & supplies JP II	\$10,723
	Sub-total	\$48,397
Institutional Support/Teachers Capacity Building	Airfare	\$1,256
	Lodging	\$585
	Per diem	\$360
	Training fee	\$1,200
	Sub-total	\$3,401
Grantee Administrative Support	Communications	\$120
	Fuel	\$920
	Sub-total	\$1,040
Language Training & Graduation Costs		Sub-total \$1,591
		TOTAL \$85,811

Operational costs: The costs indicated in the above chart accurately reflect the total amounts SGP budgeted for HIIP implementation. However, they do not include SGP's operational costs. Operational costs are those required for USAID/SGP's ongoing support in designing, developing and executing grants supporting HIIP and other grants SGP has awarded. In practical terms, SGP's operational costs attributable to HIIP are difficult to define with great precision. In the case of HIIP, these costs would include those incurred by SGP for: program design, grant development, execution and administration, implementation support, monitoring, evaluation and reporting. In grants programs generally, operational costs typically equal 30% of program costs, suggesting a reasonable estimate of operational costs of about \$25,800. Applying this standard would signify an estimated total cost of \$111,554 for SGP, including the

referenced operational and \$85,811 in budgeted program costs. Finally, the actual costs for the program and amounts corresponding to specific line items may vary slightly since actual expenditures are frequently slightly less than “budgeted” amounts. Actual costs will never be higher than those budgeted.

CONSIDERATIONS OF COSTS AND BENEFITS

The chart below provides a summary of the combined budgets from the three grants awarded to support HIIP as well as funding amounts and percentages allocated to specific program activities along with the estimated number of direct beneficiaries.

SUMMARY: SGP PROGRAM COSTS FOR HIIP ACTIVITIES AND BENEFICIARIES				
Activity	Cost	% of total	Beneficiaries	
			Interns	Others
Pre-Work Training	\$4,710	5%	33	
On-the-Job Training Interns Stipend / Salary (50%)	\$8,670	10%	27	
Competencies Skills Training	\$1,134	1%	27	
Customer Service Training	\$8,434	10%	27	
English Language Training	\$1,591	2%	23	
Institutional Support Customer Service Training-Teachers	\$8,434	10%		30
Institutional Support Equipment to Schools	\$48,397	56%		500
Institutional Support Teachers Capacity Building (Bali)	\$3,401	4%		3
Grantee Administrative Support	\$1,040	1%		
Total Program Costs (Budgeted)	\$85,811	100%		

The items and corresponding figures depicted in blue constitute support provided to institutional strengthening components that benefited the schools and training center (HIIP grantees). From the total of \$85,881 in SGP program funds budgeted for HIIP, \$60,232 or 70% of grant funds provided institutional support to the three participating schools including capacity building for its teachers. An additional 29% of HIIP’s budget or \$24,539, was dedicated to provide pre-work, OTJ and off-site training, as well as that provided after the OTJ phase. The remaining 1% of the total amount budgeted was dedicated to covering some administrative costs incurred by grantees.

SGP’s contribution for the interns’ stipends (split equally with sponsoring businesses) was less than 10% of the total program costs budgeted. The costs of providing customer service training to the interns cost

roughly the same amount as SGP’s share of the interns’ stipends. The combined costs of pre-work and off-site competency based skills training provided by JPTC, and intensive English language instruction upon conclusion of the OTJ phase, accounted for a combined total of 8% of SGP program funds budgeted.

The following focuses on considerations of costs and benefits of the entire program but with an emphasis on those associated more narrowly with the intern-centric components rather than the institutional strengthening efforts included as part of the broader program.

To consider issues of costs and benefits, we must first determine which “costs” form the basis of our calculations. For example, as indicated, the total SGP budget for HIIP was roughly \$85,800.⁹ However, by adding an additional 30% to reflect a reasonable estimate of SGP operational costs associated with HIIP, the total SGP costs and contributions for SGP would be more akin to \$111,600. The total SGP program funding directly supporting activities benefiting only participating interns is \$24,500. This is the amount budgeted to cover the costs of off-site and OTJ training, including salaries or stipends, as well as the training provided during pre-work and post-OTJ phases. By adding the 30% operations costs to the budgeted program costs, we arrive at a more accurate estimate of \$31,900 as the total cost for HIIP’s intern-centric components.

HIIP CONSIDERATIONS OF COSTS PER BENEFICIARY	
TOTAL PROGRAM COSTS	\$85,800
TOTAL COSTS (Program & Operations estimated @ 30%)	\$111,600
PROGRAM COSTS (Without Institutional Strengthening)	
Intern Payments & Trainings Only	\$24,500
TOTAL COSTS (Program / Operations @30%)	\$31,900
USAID/SGP Cost/Beneficiary	
Total Costs for Training, Stipend and Administration (30 interns)	\$1,063

The cost considerations referenced above reflect a fair and reasonable estimate of the pilot’s program and operational costs, though they do include considerations of design costs for the program, which amounted to roughly \$26,300. The total cost of this pilot, including expenditures for design, program and operations resulted in a total cost of \$138,000 for the program.

If a program similar to HIIP is to be replicated in Timor-Leste for other sectors such as construction, design costs of at least a similar magnitude should be anticipated to develop appropriate occupational standards for the industry and vet them, along with other considerations, with relevant stakeholders.

⁹ Amounts in this section except for per/beneficiary costs are rounded to the nearest hundred US dollar.

As with the varying assumptions for determining the basis for costs, there are also different ways of determining HIIP beneficiaries. Should one for example consider all interns participating in one or more of the training activities as a beneficiary even if they subsequently dropped out, or should beneficiaries include only those interns completing the program? For the purposes of determining HIIP beneficiaries, specifically with respect to program activities that generated benefits accruing to interns (through trainings and stipends), we use the figure of 30 interns.

There are a number of reasons to do so even though 28 interns benefited from most of the trainings and stipends and only 26 successfully completed the program. First, the amounts referenced for costs are budgeted amounts rather than amounts expended or disbursed. Actual costs, in this case for training and stipends, will be marginally less than those budgeted, since project expenditures are associated with the actual number of participating interns, not the number of interns anticipated. Only interns participating in the OTJ training were entitled to, and actually paid, stipends. While HIIP budgeted for an amount sufficient to cover costs for 30 interns, disbursed funds went only to those interns who actually completed the period of OTJ training during a given pay period. On this basis, we consider a cost of \$1,063 per beneficiary to be a reasonable estimate for total SGP cost of (program and operations) support for HIIP's intern-centric components. Even if we define "beneficiary" more narrowly, in this case including only the number of interns successfully completing the program, the cost per beneficiary would be \$1,227 for the 26 interns.

Whether one considers a cost per beneficiary estimate of \$1,063 or \$1,227 for HIIP's intern specific activities, both compare favorably with those anticipated in other such programs including the proposed World Bank or UN initiatives focusing on training, job skills development and employment.

IMPLEMENTATION PERFORMANCE: SUMMARY FINDINGS

The quality of HIIP's implementation performance is reviewed by assessing specific performance associated with the following:

1. Influence of Key Design Features and Components
2. Grant Development and Execution
3. Program Administration and Management (including monitoring and evaluation)
4. Implementation of Key HIIP components
5. Considerations of Costs and Benefits
6. Coordination and Collaboration with Stakeholders and Partners

Key Design Features and Components: The scope and scale of HIIP were appropriate given the pilot nature of this initiative.

Grant Development and Execution: SGP staff moved quickly and effectively to bring this initiative beyond the design phase to develop and execute the three HIIP grants. The commitment of SGP's key personnel including Antonio Gusmao and Inacia Santos was crucial in this and subsequent phases. Their dedication to the possibilities of this program and its potential beyond the pilot for improved training leading to employment for youth in Timor-Leste is praise-worthy; as is the support they received from SGP management throughout the process.

Program Administration and Management: The program was well executed and managed. While confronted with challenges when events or activities did not go as planned, SGP and partners were adept at adapting to meet the needs without compromising either process or outcomes. In addition, SGP partners purposefully modified plans during implementation (by adding English language training for example) when doing so ensured greater programmatic impact or benefits for interns and participating businesses.

In terms of monitoring, HIIP benefited from multiple layers of overlapping instruments and actors, including both formal and informal means for tracking program performance and that of its participants. First, supervisors, managers and owners clearly exercised their authority by establishing work schedules with the interns and ensuring that they had a clear understanding of the expectations for them on the job. The HIIP's "Record of Achievement," intended to serve a number of different functions, also served in practical terms as a work diary that compelled employees to track in tandem with supervisors their performance, including that in acquiring skills as the internship progressed. Representatives from participating businesses reported regular visits from the "sisters" or representatives from ETP, CTID and JPTC (HIIP grantees). Representatives from the schools visited interns, and their supervisors, to see how their former students were performing.

Finally, an SGP representative visited workplaces and interns at least twice a month to assess performance of the program and interns, as well as garner input from supervisors, managers or owners. In addition to establishing a record of the status of each intern regarding job offers and acceptance, SGP also maintained effective records with data concerning:

- List of interns, including backup for list of competencies completed
- List of training providers
- List of partner hotels/establishments
- List of supervisors

Implementation of Key HIIP Components: The grantees and implementing partners implemented the three major components effectively, efficiently, and with required flexibility and creativity.

While HIIP components supporting institutional strengthening constituted over two-thirds of SGP's funding for this pilot, the actual funds programmed (just over \$60,000) and corresponding impact, while beneficial were also quite limited, especially in terms of their intrinsic value or strategic significance. The support HIIP provided for institutional strengthening, such as materials and equipment, contributed to the education and training facilities. However, the investment was minor in comparison to overall and longer-term needs for upgrading facilities and teaching capacities. While comprising a larger percentage of HIIP's budget, these investments were included within the grants as a tertiary objective (following the testing of the competency based skills training and OTJ training components). Nevertheless HIIP support for institutional strengthening was extremely valuable in a number of key aspects.

It helped forge an effective working partnership with participating institutions while providing additional incentive to ensure their full engagement in supporting the program's primary focus of the internships benefiting their graduates. It also provided an effective illustration of the type of support needed in an additional or scaled up program to upgrade the education and training facilities, as well as the curricula, instructional material and teaching capacity needed to more effectively educate and train Timor-Leste's youth and workforce.

The capacity building aspects of institutional strengthening, specifically the customer service training and separate study tour in Bali for teachers from the institutions' hospitality and tourism programs, were highly valued and are also indicative of the type of future investments needed to upgrade the capacities of teachers and instructors.

Considerations of cost and benefits: As note, the cost per beneficiary of around \$1,063 for expenditures directly related to interns (training and stipends) should be considered quite good both in absolute as well as comparative terms with other such initiatives.

Coordination and collaboration among stakeholders, including between SGP and partners, by all accounts was regular, substantive and effective.

4.0 PROGRAM OUTCOMES AND IMPACT

This pilot initiative achieved the three primary objectives expected of it. Through the Hospitality Industry Internship Program:

- An effective competency-based training system and tools were developed and applied, providing in the process lessons for the GOTL, donors and partners committed to supporting additional internship or on-the-job (OTJ) training programs;
- Selected graduates from participating schools were provided the opportunity to build practical skills through real work experience and targeted training; and,
- The training facilities, instruction material, curricula and teaching capacity associated with the hospitality and tourism programs of participating institutions were improved.

The remainder of this section presents details concerning program impact and outcomes followed by considerations of stakeholder perceptions about the program and its performance and impact.

HIIP OUTCOMES

The chart below provides a summary of the status of interns participating in HIIP. From the numbers, there are some clear indications of program outcomes.

On-the-Job Training Leading to Employment Offers¹⁰

Sponsoring Institution	Candidates Pre-Selected	Interns beginning OTJ	Completing Internship	Interns Offered Job	Interns Accepting Job Offers
ETP/Venilale	20	17	16	12	8
CTID/Baucau	13	11	10	10	10
TOTAL	33	28	26	22	18

Participation and Completion Rates: HIIP began with 33 intern candidates pre-selected to participate in the program, which by design anticipated up to 30. All 33 participated in pre-work training, though 5 left the program prior to OTJ training or immediately thereafter. Two additional interns who were well advanced in the OTJ training left during this phase for personal reasons. The remaining 26 interns successfully completed the internship program including OTJ and off-site training.

¹⁰ Based on information available from employers and interns as of 5 June 2008

Hospitality Internship: Participation and Completion Rates

- 21% of pre-selected candidates (5/33) left program prior to, or just after, OTJ training began, leaving 28 interns in the program;
- 2 others left the program well into the OTJ training phase, leaving 26 interns;
- 93% (26/28) of the interns participating in OTJ training successfully completed the program.

Nearly all of the interns (25 of the 26) who completed the internship were considered by business representatives from participating businesses to be worthy of a job offer. The reason that 5 interns who were considered worthy of a job offer but were not offered permanent positions was unrelated to their performance or assessed value as employees; all were deemed positive in these regards. Rather, the absence of a job offer by the sponsoring hotel was due to an unanticipated (and likely temporary) downturn in bookings due to the departure of clients from the security forces of Australia and New Zealand. Nonetheless, two of these 5 interns have in the intervening weeks been offered, and accepted, positions with other partners participating in HIIP. Four interns who were offered jobs, but who have so far declined, indicated they plan to continue their education.

For interns completing the program:

- 96% (25/26) were considered by sponsoring businesses as deserving of a job offer;
- 85% (22/26) have already been offered a job by one of the HIIP partners;
- 82% of these (18/22) have accepted a job offer (so far as of 5 June 2008);
- Remaining 18% (or 4) of interns offered jobs but who have not yet accepted, indicated plans to continue their education.

Record of Achievement: Each of the 26 interns completing the program worked with supervisors from sponsoring businesses and schools to maintain a Record of Achievement that detailed courses taken, hours in the occupation, as well as the skills acquired and level of competency developed. In mid-June, upon completion of intensive English language training, interns were to receive the certifications of achievement earned by demonstrating the skills acquired in meeting the core competencies in one or more occupational areas.

The record of achievement was an effective tool for assessing and documenting skills development, but there is room for improvement. It needs to be improved, adapted and adopted by industry and training institutions as the standard. The OTJ assessment is competency based and completed by the intern as well as their supervisor to determine the degree to which the intern “can perform under supervision” and “can perform to industry standards”. The employer, or in most cases the manager or supervisor, determines the level of competencies interns have acquired.

SGP will issue the certificates counter-signed by the business owners based on an appraisal of an individual’s training and work experience by the OTJ supervisor. Interns will receive certification in the occupational area(s) in which they have acquired established skills and demonstrated proficiency in light of established standards. The participating establishment that hosted interns and provided OTJ training

and work experience will also receive a certificate counter-signed by the Minister of Tourism, Commerce and Industry as an approved OJT training provider in certain occupations.

STAKEHOLDER PERSPECTIVES

The following includes a synthesis of feedback from stakeholders provided during interviews and in response to questionnaires.

Collaboration and Communication: Representatives from participating businesses, schools, interns and training institutions considered the working relationship with one another, and with SGP's personnel, to be quite good and effective in terms of coordination and communication.

Preparedness: Business representatives considered the interns' level of preparedness for the job prior to commencement of internship program to be generally adequate, though lacking in some key respects including both soft and hard skills. Language skills (especially English), customer service, and technical skills including food prep, cooking and bar service were referenced as skills either lacking or as areas for improvement.

Progress in Achieving Occupational Standards: All business representatives and interns alike noted steady improvement in technical and job skills acquired throughout the internship.

Compensation and Duration: Most employer representatives, and a slight majority of interns generally viewed the compensation package of \$85/month (split between the employers and SGP during the OTJ experience) as fair. Most members of both groups considered the 5½-month duration of the OTJ training period as adequate to acquire basic skills required to attain competency. Interns tended to favor a longer training period to increase skill areas and competencies. Two of the nine enterprises felt the compensation was too low, as did a considerable minority of interns, given increasing costs of living in Dili. One business representative indicated the cost of the intern stipend was fair, but too high for her establishment. Another emphasized that sponsoring businesses incurred additional costs by providing food, transport and in some instances accommodation. Interns highlighted the same items as examples of costs incurred.

Pre-Work and Off-Site Training: Supervisors from sponsoring schools, and especially interns, valued the pre-work and off-site complementary training. Workplace supervisors (and to a lesser extent managers) were more cognizant of the content and hence value of this training than owners. All businesses were appreciative of this training in principle, but generally less informed about its content and consequently more ambivalent about its specific impact or value.

Record of Achievement: Occupational standards, and the means for tracking performance in meeting them, were highly valued by representatives from participating businesses, schools and the GOTL (SSVTE). Interns also saw value in the Record of Achievement and even more in the resulting certification of skills acquired since it was viewed as improving job prospects with employers. However, industry representatives, schools, interns and SGP staff seemed to value the "Record of Achievement" more in principle than in practice. The record is perceived as being not yet particularly well suited or applicable to Timorese context or workplace conditions. The content and use of English also appear to contribute to the record being viewed as not especially "user friendly".

Business Representatives emphasized the following key issues:

- The quality of education / training needs to be improved; Business can help but can't assume responsibility for this; These schools are doing the best they can, but it's not yet enough; Need

improved facilities; improved instruction materials/ content; and perhaps most importantly clear and meaningful standards (and certification);

- Need to focus on improving language, soft skills (client focus, presentation, confidence);
- Industry needs employees that are better able to work with numbers; planning; and industry specific skills, e.g. cooking, bookings, reservations, bar and food service; and customer service more generally.

Representatives from participating schools and training institutions indicated that while they appreciated the institutional support HIIP provided, they valued much more the opportunities for their students to obtain OTJ training leading to employment. Interns considered this experience an excellent opportunity for learning skills and gaining work experience that will have lasting significance.

5.0 CONCLUSIONS

The activities implemented generated clear benefits to the primary stakeholders, especially for the participating interns that completed the program, the participating educational institutions and the private sector partners from the businesses in the hospitality industry. Although explicit goals or objectives of HIIP did not include such a high percentage of interns receiving job offers from the sponsoring enterprises, this outcome speaks well for the program, participants and partners.

Beyond the numbers, HIIP helped establish the basis for an effective partnership, one that provides critical linkages between providers of job skills training and employers, between businesses and job seekers with relevant backgrounds, while contributing to improved job skills that benefit the intern, the enterprise and the sector.

The HIIP approach also brought together stakeholders to develop and validate occupational standards that guided program supported skills developed through OTJ and complementary training. The program also supported institutional strengthening and capacity building for participating schools, training institutions and their teachers. While contributing only a fraction of the investment needed to address systematic and structural shortcomings, this support provided a positive impact and indications of how additional support should be directed in the future.

Finally, HIIP helped create opportunities for the young Timorese participating as interns to learn skills and garner experience directly relevant to improving their longer term employment opportunities while establishing a model for an effective approach worthy of expanding and replicating.

Through this program, the private sector, represented by participating businesses in the hospitality and tourism industry, have shouldered at least some of the costs of increasing the competency and skill levels of the workforce on which the sector depends if it is to prosper. Of the 28 interns who began the program's OTJ training phase, 26 successfully completed the program. Among those completing the program:

- 96% (25/26) were considered by sponsoring businesses as deserving of a job offer;
- 85% (22/26) have already been offered a job by one of the HIIP partners;
- 82% of these (18/22) have accepted a job offer (as of 5 June);
- Remaining 18% (or 4) of those offered jobs but not yet accepting it (as of 5 June) indicate plans to continue their education.

Representatives from participating businesses indicated that they were on the whole quite satisfied with HIIP and strongly encouraged the expansion of the program. As an owner of one of the participating hotels wrote in an email to SGP: *"We are happy with this program and would like to see it continue. We can easily take five more trainees. All of [our 3 current] trainees have been offered full time employment..."*¹¹ At the same time, some industry representatives suggest that efforts such as OTJ

¹¹ Email correspondence from Sakib Awan to USAID/SGP, 29 May 2008.

training are compensating for the general deficiencies of the country's educational and training system. While interested in helping to address gaps in what schools and training institutions have heretofore been able to provide, they highlight the limitations and emphasize the need to improve the quality of instruction and education to improve the country's workforce.

There is strong potential and broad interest among all existing stakeholders for expanding the scope and scale of the internship program in a follow-on effort to HIIP. The expanded program should incorporate and employ much of the framework and approaches that proved effective in terms of the process, implementation and outcomes from HIIP.

The choice of industry (hospitality/tourism) and selected competencies (housekeeping, front office, and food and beverage) were appropriate. The focus for the scaled up program should continue to focus primarily on the hospitality and tourism sector. It should also explore opportunities to expand the range of selected occupations (e.g. booking and reservations, food preparation and cooking, as well as more tourism specific areas to develop skills for tour guides, scuba diving, and knowledge and skills required by the eco- and adventure- tourism market).

The process for selecting hotels and placing interns was effective for the limited scope and scale of this initial effort. There is opportunity for improvement and a need to standardize and streamline the process in an expanded program while strengthening the partnership of key stakeholders in the process.

HIIP helped to establish an effective partnership involving the participating schools, youth graduating from them, industry and the government. While nascent and largely situational, this partnership needs to be nurtured, expanded, and strengthened. An expanded, more robust, partnership will serve as a critical mechanism for ensuring broader buy-in for sponsoring effective OTJ training and work experiences for an increasingly skilled young workforce. Participation should be encouraged and increasingly seen as the norm. An effective partnership will also foster a critical and informed constituency essential for improving education and training efforts, job skills valued by employers, and for developing an expanded qualified workforce necessary for the Timorese to prosper.

In sum, the Hospitality Industry Internship Program (HIIP) was a small but remarkably worthwhile effort that has the added virtue of being successful. There is a solid basis for building upon both the promise and results of the pilot program's positive impact in order to contribute to broader impact and longer-term results. The fundamental needs for improving skills development and more purposefully linking education and training with jobs means, as more than one private sector partner suggested, "We would be foolish not to continue with an expanded internship program."

The USAID funded program has achieved its core objectives and preliminary results indicate the pilot program has been successful on multiple levels. The more profound result of HIIP's impact and benefits are yet to be determined and will depend on the extent to which approaches that proved effective are expanded. In order for this to occur, government or donors and businesses will need to demonstrate the will to support an expansion of such efforts, and that the key stakeholders are committed to expanding, adapting and reinforcing norms, practices, relationships and systems either initiated or supported through this initiative.

1. HIIP was well conceived, effectively designed and executed, and implemented efficiently;
2. Program focus on sector, implementing partners and beneficiaries was pragmatic;

3. Though HIIP's scope was narrow, and its scale limited, both should be considered appropriate for SGP given a set of parameters, as well as the aim to learn more about viable options intended to help address multiple yet distinct objectives;
4. Program performance in terms of cost-benefit considerations has been quite positive;
5. Participating stakeholders valued the program and encourage its expansion.

This pilot internship program, or HIIP, was by intent limited in terms of its scope and scale. Nonetheless, the design and development of the program were solid. Implementation performance, outcomes and impact generated are worthy of praise. Not only was the approach for implementing HIIP practical, it also managed to bring together critical actors and institutions, each with different perspectives and objectives, to collaborate in support of a shared goal. The nascent partnerships fostered include representatives from critical sectors, especially schools/training centers and businesses, as well as government. This partnership can and should be reinforced, expanded and strengthened.

A stronger, more capable partnership—building upon relationships established through HIIP—will expand the vital constituency for developing, adapting and adopting appropriate occupational standards and improving training to meet them. More importantly, such a partnership can serve as a vital catalyst for improving policy and practices needed to more effectively develop job skills leading to employment and the quality workforce needed for economic growth and stability.

6.0 RECOMMENDATIONS

The following recommendations are based on the evaluation findings and outcomes, including feedback from key stakeholders involved concerning HIIP and a proposed follow-on program.

- Expand the scope and scale of the internship to a 2 year program to engage up to 500 interns in OTJ training and work experience with continued emphasis on the Hospitality and Tourism sector in Dili and beyond;
- Help forge an effective and enduring partnership between schools/training institutions and industry, and between them and GOTL;
- Support Timorese institutional capacity to effectively manage the internship program so that they become an accepted and valued norm for schools, industry and government;
- Improve the duration / intensity and type of pre-work and off-site or complementary training;
- Maintain as a core feature the Record of Achievement for assessing skills and competencies acquired (both on- and off-the-job), but improve upon it by adapting (to Timorese context, language employed) in close consultation with and including specific input from schools, government and especially business representatives including owners, managers and supervisors.

Future efforts involving sponsoring businesses and training institutions should focus on adapting occupational standards further as part of the efforts to customize training content and curriculum based on, and responsive to, industry needs. This would not entail fundamental changes but rather modifications that could be done through several half-day workshops with stakeholders. The first could include supervisors and interns, the results from which should inform a follow up effort involving managers and ideally owners, as well as representatives from schools, training centers and SSVTE. The objective would be to determine the specific means for strengthening occupational standards, improving instruction and training to meet them while also ensuring the instrument for measuring skills and performance is responsive to industry and appropriately tailored to those using it.

Assumptions for Expanded Internship Program: In order to achieve the proposed target of supporting 500 interns in an expanded follow-on program, the operating assumption is that 50% of the businesses in the hospitality and tourism sector agree to sponsor an average of three interns for OTJ training and participate in multiple cycles in what should be implemented on a rolling basis. For planning purposes, we also assume that the hospitality and tourism sector continues to grow along with demand for an increasingly skilled workforce. In terms of results, we should anticipate that no more than 450 of the interns selected will complete the program successfully, with at least 75% obtaining job offers within 6 months following the end of their internship.

Partner Schools in an Expanded Internship Program: The program should continue to work with Venilale and CTID, but also expand to recruit internship candidates from other appropriate schools and training institutions with an academic or training focus relevant to the sector. These include at a minimum, institutions such as Fuiloro, DIT, ETDA and UNTL as well as the emerging relevant programs anticipated by Canosians in Manatuto and the expanded program of the Dili-based Joao Paul II Training Center.

Budgetary Considerations for the Expanded Internship Program: Whereas 70% of HIIP budget was dedicated to Institutional Support and the remaining 30% of grant funding dedicated to intern specific training (including stipend), the expanded internship program should anticipate the allocation of funding along the following lines.

- 20% OTJ training (stipends)
- 30% Pre-, Post-OTJ training, Off-site and other competency based skills training
- 30% Institutional Strengthening: building capacity for effective institutions and partnerships supporting quality education and training, especially those focused on the hospitality and tourism sector.

The remaining 20% of the program budget should cover the operating costs of a Timorese run organization USAID should engage, such as the East Timor Development Agency (ETDA), to administer and manage the expanded internship program. The chart below provides a summary of total program costs broken down by proposed components.

Program Components	Costs
Interns OTJ Training and Work Experience - 50%	\$137,500
Pre-Work and Offsite Training	\$275,000
Institutional Capacity Building Strengthening	\$275,000
Program Cost	\$687,500
Operations Cost (@ 20% of program cost)	\$137,500
Total Cost	\$825,000
Total Program Cost Per Intern	\$1,650

The basic assumptions forming the basis for the proposed budget are that the program would seek to identify and place 500 interns over the two-year program and that private sector partners continue to contribute 50% of stipend or salary costs for interns during five and a half month OTJ training as they have done in HIIP. The projected budget also anticipates that the monthly stipend or wage for participating interns will amount to an average of \$100 per intern.

Cost sharing with private sector partners is a critical program element. While the total cost for the expanded internship program is favorable based on cost-per-beneficiary considerations, the participation of the industry is critical. The institutional capacity building should focus as one of its key objectives on strengthening and nurturing the nascent partnership between schools, training institutions and the private sector, especially businesses within the hospitality/tourism sector.

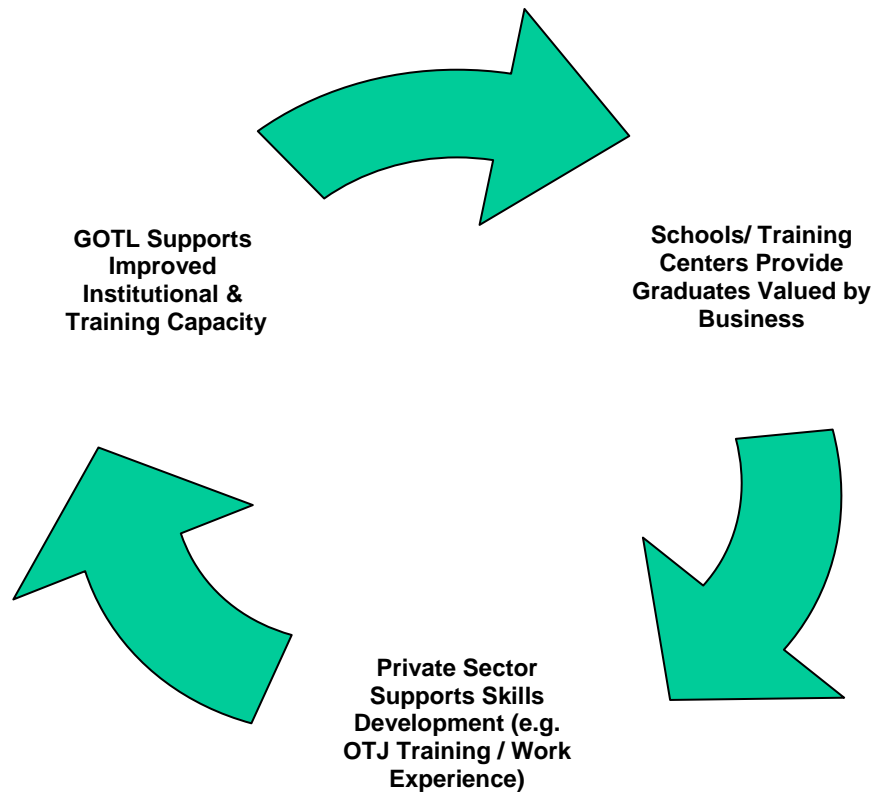
Considerations of Implementing Partners: ETDA seems particularly well suited to manage and implement the follow-on to HIIP. Its mission is “*to strengthen the capacity of the East Timorese people to play an integral, active and coordinated role in the development*” of Timor-Leste. Headed by a dynamic social entrepreneur who is highly regarded, ETDA is widely respected by the representatives from the private sector, government and schools / training institutions that were crucial to the success of HIIP.

This organization is staffed by capable professionals and widely recognized as one of the best training organizations in Timor-Leste. They currently have a training program focusing on tourism and expect to

expand this. Furthermore, as evidenced, for example, by their analysis as presented in ETDA’s “Graduates Survey of Fatumaca and Becora Technical Schools,” the organization understands the systemic and structural dynamics affecting the performance of Timorese schools and training institutions and implications in terms of graduates seeking job opportunities and industry seeking qualified employees. Finally, ETDA was a key partner in HIIP, providing pre-work and post-OTJ training. As such, they are well placed to improve the intensity and type of pre-work and off-site or complementary training for the expanded program.

Help forge and nurture meaningful partnerships: The institutional strengthening and capacity building component of the expanded internship program would provide resources in support of priorities shared by key stakeholders. The objective associated with this component should be to foster a virtuous cycle as represented graphically below.

FOSTERING A VIRTUOUS CYCLE IN SUPPORT OF SKILLS DEVELOPMENT

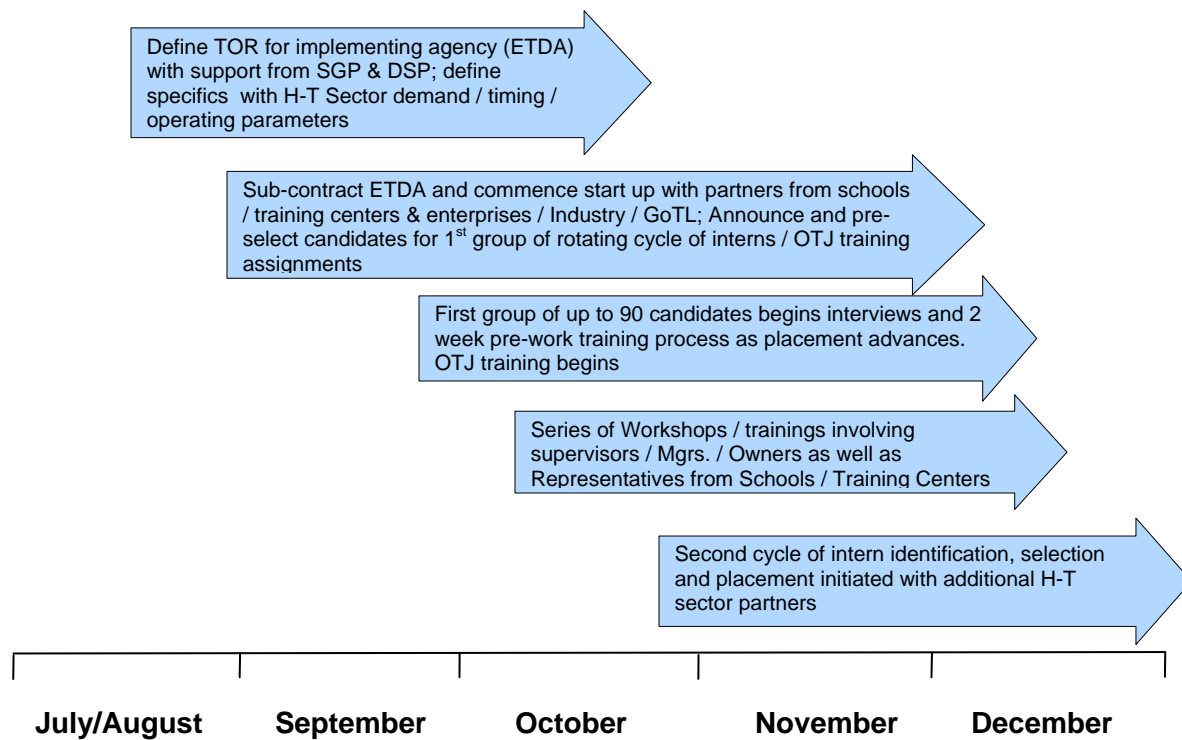


The expanded program should seek to leverage the GOTL and other donor funding to support improved educational and training facilities, stronger curricula and appropriate instruction materials, as well as to strengthen capacities of teachers at these institutions. The RDTL’s current Directorate of Tourism has already contributed some funds to help strengthen institutional capacity of some partner institutions and

anticipates providing up to \$1,000,000 in additional funds over the next two years in support of the same. In addition to supporting schools and training institutions relevant to the hospitality sector, the expanded program should also provide in-kind support to strengthening industry associations such as the Tourism Association of Timor-Leste (ATTL) to improve coordination among critical constituents in this sector.

Implementing the Expanded Internship Program: To expedite quick start-up, USAID should authorize relevant personnel like SGP’s Antonio Gusmao, familiar with all stakeholders and an integral part of HIIP’s success, to work with a designated counterpart from DSP as well as ETDA to initiate tasks critical to start up. USAID can then channel resources through DSP to sub-contract ETDA to manage and implement all or part of the expanded internship program. The chart below provides a summary description of these tasks for the first 6 months of the two year program.

START-UP FOR THE EXPANDED INTERNSHIP PROGRAM



HIIP successfully achieved its objectives both as a program and as a model worthy of expansion and replication. As many stakeholders involved in HIIP indicated, it would be a shame not to expand this program. The following and last page of this evaluation includes a potential framework to guide considerations for the expanded internship.

Framework for Expanding the Internship Program

Support for Expanded Internship Program

- Develop Better Job Skills
- Strengthen Curricula
- Reinforce Standards
- Support OTJ Training & Work Experience
- Enhance Job Prospects
- Increase Awareness of & Access to Labor Market

Human / Institution Capacity Building for Improving Skills

- Strengthen education and training institutions' capacity & coordination
- Strengthen partnerships within and between Industry and training institutions
- Strengthen standards and skills for improving students' preparation for employment

Support Improved Partnership between H-T and Schools

- Help forge lasting partnership between H-T Industry, GoTL & Teaching / Training Centers
- Expand constituency & improve practices favoring:
 - Demand-driven, marketable skills development; and,
 - Better linkages between providers of skills training and employers.

Improve Standards, Teaching Capacity & Skills to Provide Increasingly Well Prepared Candidates for Viable Job Opportunities

Strengthen capacity of businesses, schools / training centers to build skills in response to growing needs of Hospitality - Tourism Sector

Improve job skills and expand the quality workforce necessary to support a growing hospitality – tourism sector in Timor-Leste

ANNEX 1

HOSPITALITY INDUSTRY INTERNSHIP PROGRAM EVALUATION SCOPE OF WORK

1.0 PROGRAM SUMMARY

The Timor-Leste Small Grants Program (SGP) supports communities, organizations, and government in their efforts to build a stable, economically robust, democratic country through USAID's strategic objectives: expanding economic growth, supporting good governance, and improving the health of Timor-Leste's people. With focused grant making and management, DAI helps build capacity in Timor-Leste's young government and its nongovernmental community by providing selected communities, organizations, businesses and government offices with vital services and supplies, such as training and equipment.

The program relies on its strategic vision and an integrated approach to adapt to the social and political dynamics of Timor-Leste's post-conflict development and assist in identifying, testing, and opening up new focus areas for USAID. Economic growth grants focus on building foundations for entrepreneurship and business success. Democracy and governance assistance focuses on support efforts to disseminate information around the country to help foster a more informed and civically active public. SGP's health programming works in conjunction with other USAID partner programs and supports direct nutrition education campaigns. Carefully planned grant awards have generated new opportunities for USAID's long-term investment in several areas, including microfinance, land tenure and agricultural school linkages to agribusinesses and internship programs for young people. At the same time, the program coordinates extensively with all three branches of Timor-Leste's new government as well as with local government offices in all 13 of the country's districts.

2.0 PURPOSE OF THE PRESENT SCOPE OF WORK

Hospitality Industry Internship Program Evaluator

SGP is implementing a six-month pilot internship program focusing on the hospitality and tourism sector. Nine Dili-based hotels and restaurants are hosting 27 interns and providing on-the-job training in three core areas of expertise: food and beverage service, house-keeping, and front-office administration. The interns are all graduates of two hospitality and tourism schools in Timor-Leste. In addition to on-the-job training, limited institutional support is provided to these schools, and supplementary off-the-job training on customer service and each technical area is provided to the interns and their supervisors. The interns' participation in training and progress acquiring skills on-the-job is tracked on a regular basis using a record of achievement detailing all skills acquired

SGP seeks a qualified individual to evaluate the design, management, and implementation of this internship program. Results and recommendations for the evaluation will be made available to Government Ministries and other donor programs interested in expanding or replicating similar on-the-job training programs. The evaluator will be responsible for the following duties:

Tasks

1. Review SGP's choice of industry (hospitality/tourism) and selected competencies (housekeeping, front office, and food and beverage) to determine:
 - if there is potential for continued expansion to other businesses;
 - the success rate of interns gaining full time employment.

2. Review and document the process for selecting hotels and placing interns and provide recommendations for standardization and streamlining of this process
3. Conduct interviews with hotel owners, supervisors, interns, training institutions, and SGP program staff to assess the:
 - working relationship between SGP's internship program coordinators and hotel owners regarding the intern placement process, monitoring/supervision of on-the-job training program, and coordination of in-service training;
 - interns' level of preparedness for the job prior to commencement of internship program (addressing both soft and hard skills);
 - appropriateness of compensation package (\$85/month split between the hotels and SGP);
 - sufficiency of period of performance (six months) to attain skills required to attain full-competency;
 - value and impact of in-service training programs on intern performance.
4. Review the Record of Achievement to assess:
 - ease of use and compliance by interns and hotel supervisors as well as oversight by SGP staff;
 - intern progress in acquisition of skills;
 - appropriateness and applicability of competencies for the intern's jobs and the Timorese context. Recommend updates to record of achievement (additions or deletions) to better tailor it to local industry needs.
5. Evaluate the level of coordination and communication between training institutions and hotels with regard to responsiveness and customization of curriculum based on industry needs to assess:
 - how feedback is provided by hotels to training institutions;
 - how training institutions have responded to feedback.
6. Recommend ways to strengthen this relationship through improved communication and responsiveness.
7. Provide recommendations for:
 - Expansion;
 - Improved management;
 - Improved training and/or supervision (both on- and off-the-job).
 - Challenges/opportunities for using this model in institutions outside of Dili (i.e. do business owners and trainees in Dili think this approach can work elsewhere?)

Deliverables

- Workplan, questionnaires and methodology for conducting evaluation
- Final report detailing findings and recommendations to be delivered before departure from Timor-Leste
- Provide a final briefing to representatives of USAID technical representatives, DAI/SGP management and staff, ILO, Secretary of State of Labor and Employment, Directorate of Tourism and other relevant institutions prior to departure.

ANNEX 2

HOSPITALITY INDUSTRY INTERNSHIP PROGRAM CONTACT LIST

Contact List		
No	Organization	Name
1	Venture Hotel	Nene Carrascalao
2	Hotel Dili	Gino Favaro
3	Discovery Inn	Ryan
		Krishna Dewi
4	Central Hotel	Cecilia Pereira
5	Elizabeth Hotel	Milena Abrantes
		Artyas
		Maria Ernestina
		Judith
6	Dili Beach Hotel	Dominikus Riu
		Michael McGovern
7	Timor Lodge Hotel	Kemal Baser
8	One More Bar	Agung
9	Vila Verde	Antonio Pereira
10	Canossian Sisters Manatuto	Ir Lucilia
11	Interns who left prior to completion	Laura, Bendita and Eliza
12	ETP Venilale	Ir Jacinta Gusmao
13	CTID Baucau	Ir Candida Castro
14	Pousada Baucau	Jose Jesus & Abilio B
15	CF Madalena Morano Fuiloro	Ir Alexandrina Pinto
16	Valu Sere Cooperative, Tutuala	Joao Da Costa G
17	Kati Guesthouse, Com	Angelico
18	Mega Tours	Rui Pinha
19	ETDA	Palmira Pires
20	AUSAID (PSCDP)	David Ablat
21	Director of Tourism	Miguel Lobato
22	Secretary State for Labor	Albano Salem
		Jose Fonseca
		Ismenio Martins da Silva
		Annie Keogh
23	ILO	Jose Assalino
24	PNG Frontier Adventures	Chris Karis & Sue Baker

25	NZAID, Technical Evaluator to the Ministry of Education	Carolyn Marsh
26	International Finance Corporation	Rainer Venghaus
27	Arbiru Beach Resort	Jose Rocha
28	Dili Beach Café	Johnson Kyaw San Naing
29	Advisor to the Ministry of Tourism	Ann E. Turner
30	Project Management Advisor, MAFF	John A.C. Steel
31	Legacy Service	Dewanta Manik
32	USAID DSP	Alex G. Dalley
33	USAID DSP	David Dyer
34	APAC Security	Alisa Kreynes
35	International Finance Corporation	John Perrotiet
36	Institutional Capacity Building Programme, Ministry of Finance	Antonio Morea
37	USAID ARD	Breanna Ridsdel
38	Economist	Jose Luis de Chagas
39	Institutional Capacity Building Programme, Ministry of Tourism, Commerce and Industry (Spanish Cooperation)	Miguel Diaz
40	Executive Secretariat Advisor, Office of President	Paul Michael Young

ANNEX 3

HOSPITALITY INDUSTRY PROGRAM ROUNDTABLE DISCUSSION NOTES

1.0 NOTES FROM PRESENTATION, JUNE 4, 2008, CASA MINHA, DILI, TIMOR-LESTE

After a short introduction, Mr. Jack McCarthy, a consultant from DAI, gave a 50-minute presentation on his findings and recommendations from his 3.5 week evaluation of SGP's six-month Hospitality Industry Internship Program. His presentation is attached.

In attendance were:

- Donor and donor project representatives (USAID; ILO; USAID/JOBS Opportunities Project; USAID/DSP Project, World Bank)
- Government representatives (Ministry of Tourism, Commerce, and Industry; Secretary of State for Vocational Training and Employment),
- Representatives of Training institutions (CTID Baucau, ETP Venilale, Centro Formacao Joao Paolo II, East Timor Development Agency, Dili Institute of Technology), and
- Private sector hospitality/tourism industry representatives (Arbiru Beach Resort, Hotel Esplenada, Timor Village Hotels, Elizabeth Hotel)

2.0 Summary of questions, comments and suggestions

Following the presentation members of the audience raised the following comments, questions, and suggestions:

Brian Frantz – Program Officer, USAID/Timor-Leste

- Comment: Cost considerations presented for a follow-on project are exclusive of the program design consultant cost. They are for programmatic implementation only.
- Question: What is the ideal time frame for hospitality internship program? Is 6 months period adequate enough?
 - Response (Jack): Yes, most hotels felt that 6-months was enough for interns to attain the basic skills necessary to operate at an entry level.

David Dyer – Chief of Party, DAI/USAID Desenvolve Setor Privadu (DSP) Project

- Question: Why did 7 of the original 33 interns not complete the course?
 - Response (Jack): Interns dropped out for various reasons: one did not show up for interviews with hotels after the pre-work training; three did not show up on the first day of work; one quit due to illness; one quit due to personal reasons; and the last was not able to meet the scheduling needs of the host hotel.

Jose Rocha – Owner of Arbiru Beach Resort and Hotel

- Suggestion: The private sector needs more public announcements to be aware about the availability of such programs. Advertising and outreach should be improved.
- Suggestion: Such programs should help businesses employ youth that come from the nearby establishments so as to create good relations with the community.

Palmira Pires – ETDA

- Comment: The 2 weeks of pre-work training is insufficient for internship candidates to be adequately prepared for entering the work force. Based on ETDA's experience, the pre-work training should be at least 2 months.

Ann Turner – Advisor to Ministry of Tourism Commerce and Industry

- Comment: The tourism office in partnership with ETDA created a training course for tourism establishment employees, such as tour guides - that can improve their self-confidence and able to attend effectively to the needs of the customers.
- Suggestion: If the program is expanded it should include other tourism businesses/products.

Sister Jacinta – Director of ETP Venilale

- Comment: This program provided valuable opportunities for Timorese youth to link directly with employers. It should be used as a model and expanded to other schools including secondary schools.

3.0 Notes from Follow-up Discussion

After a short break, the group reassembled and took the remaining time to discuss the following two questions:

- What is happening in terms of setting industry standards and who is doing it?
- Who is responsible for making the link between job seekers and employers?

Setting Standards:

Annie Keogh - Vocational Training Advisor to Secretariat of State for Vocational Training and Employment

- INDMO is a new Institution that comes under the Secretariat of State for Vocational Training and Employment. It has responsibility to define and approve the competency standards for jobs in the relevant industry sectors in Timor-Leste. INDMO has an Executive Commission with representatives from government, employer organizations, worker organizations and training providers. It will also establish industry sector working groups with similar representation. During June and July INDMO will be having consultations with sector groups to seek nominations for the Executive Commission and working group membership.
- The working groups will begin drafting industry standards. INDMO hopes to have at least 4 sector working groups established by September 2008.
- It is anticipated that the standard-setting process will begin with the following priority industries: Hospitality, IT, Office administration, agriculture, and construction.

Employment Programs:

Annie Keogh - Vocational Training Advisor to Secretariat of State for Vocational Training and Employment

- The Secretariat of State for Vocational Training and Employment administers an employment database to register job seekers. It also has a fund to support vocational training and employment initiatives. 3 of the programs that are part of this fund link these job seekers and trainees with employers:
 - Six months OJT similar to the USAID/SGP internship program
 - Three month internship
 - 6 weeks work experience program.
- SEFOPE will have socialized the new guidelines for the Fund (FEFOP) at the end of June or early July.

Palmira Pires – Director, East Timor Development Agency (ETDA)

- ETDA provides 3-6 months of work preparedness training and hosts a database for youth employment seekers.
- ETDA also tracks job vacancies posted in newspapers or other online media and matches these with qualified jobseekers from their database.

Brenda Barrett – Chief of Party, EDC/USAID JOBS Opportunities Project

- EDC through USAID's JOBS Opportunities project provides 6 months of off-site training and 6 months on-the-job work experience training to out-of-school youth in areas outside of Dili. The project is currently identifying sites and projects that will provide participants with appropriate opportunities for on-the-job training.

ANNEX 4

HOSPITALITY INDUSTRY INTERNSHIP PROGRAM
SLIDE PRESENTATION FROM FINAL BRIEFING

Slide 1

HIIIP Preliminary Briefing

Hospitality Industry Internship Program (HIIIP)

Briefing on Evaluation Findings and Roundtable Discussion

4 June 2008

The slide contains three small images stacked vertically on the right side. The top image shows a person on a boat on the water under a dramatic, cloudy sky at sunset or sunrise. The middle image shows a family of four (two adults and two children) walking together in a lush green field. The bottom image shows a person in a kitchen setting, possibly a chef or server, looking down at something.

Slide 2

Outline - HIIIP Presentation

- **Internship: Background / Rationale**
- **Program Design / Goals / Objectives**
- **Performance**
 - **Outcomes, Cost/beneficiary & Impacts**
- **Key Findings and Recommendations**
- **Next Steps...**

Slide 3

Background, Rationale & Goals

Genesis: USAID interest in supporting skills development and training leading to job opportunities (aftermath 2006 violence)

Rationale: Support effective linkages between private sector and education / training institutions resulting in better skills development (and instruction) leading to better job prospects.

Improve Job Skills Leading to Jobs / Positive Linkages

Skills - Marketable, market sensitive, demand driven;

Forge productive partnerships (Business, Schools, GOTL)

Emphasis: standards, OTJ and off-site training to develop job skills, gain work experience and improve employability.

Slide 4

HIIP: Design, Goals, Objectives & Features

Design: Consultant engaged to design, support consultative process & workshop, review viability of approach, and validate key considerations, including...

- sector focus & partnership with hospitality – tourism sector,
- standards, OTJ and off-site training; institutional strengthening.

Goals: Develop relevant job skills; Institutional & Human Capacity

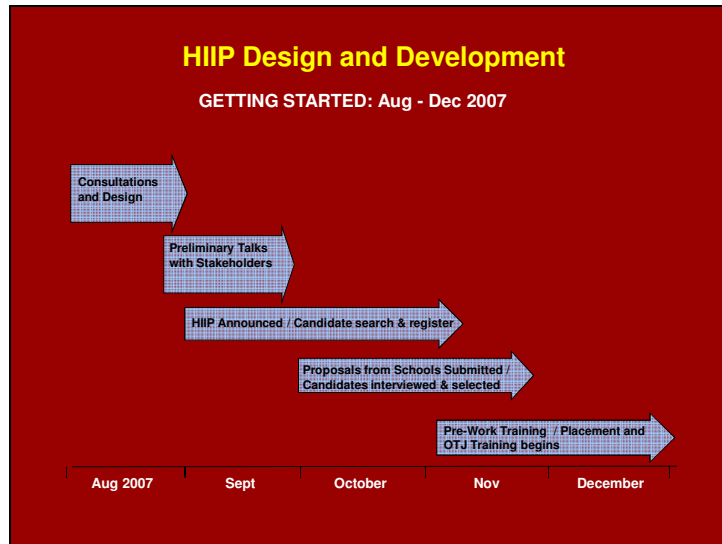
Objectives: Support Work Experience / Build Capacity

Approach: Partnership H-T Industry, Schools

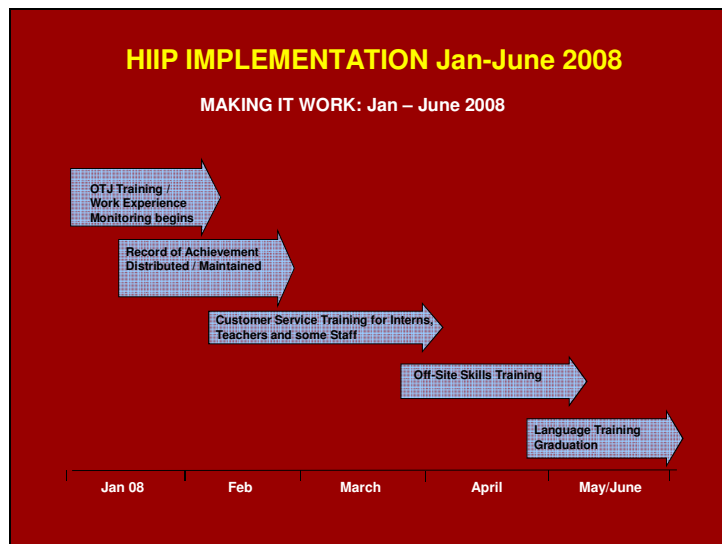
Key Design Features and Components (Internship):

- Pre-work training
- OTJ Training – Skills development
- Standards (Record of Achievement)
- Off-Site Complementary Training: Tech skills / Language
- 6-month period with \$85/month stipend split SGP / Business

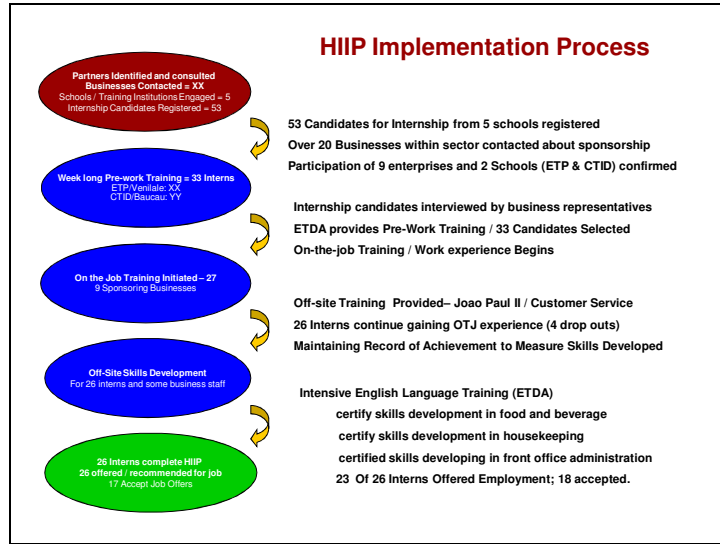
Slide 5



Slide 6



Slide 7



Slide 8

Summary: USAID/SGP Program Costs, Activity and Beneficiaries

Activity	Cost	% of total	Beneficiaries	
			Interns	Others
Pre-Work Training	\$4,710	5%	33	
On-the-Job Training Interns Salary (50%)	\$8,670	10%	32	
Customer Service Training	\$16,868	20%	27	30
Competencies Training	\$1,134	1%	27	
Institutional Support (Equipment to Schools)	\$48,397	56%		
Institutional support Teachers Capacity Building	\$3,401	4%		3
Grantee Administrative Support	\$1,040	1%		
English Language Training	\$1,591	2%	23	
Total Program Costs (Budgeted)	\$85,811	100%		

Slide 9

COST CONSIDERATIONS	
TOTAL PROGRAM COSTS	\$85,800
TOTAL COSTS (Program & Operations estimated @ 30%)	\$111,600
PROGRAM COSTS (Without Institutional Support) Intern Payments & Trainings Only	\$24,500
TOTAL COSTS (Program / Operations @30%)	\$31,900
USAID/SGP's Cost/Beneficiary (30) For Training, Stipend and Administration	\$1,063

70% of HIIP Budget Institutional Support 30% of HIIP Budget Intern Training (including Stipend)	

Slide 10

HIIP Performance: Outcomes			
Candidates Selected	Candidates Completing Internship	Interns Offered Job	Interns Accepting Job Offers
33	26	22	18

Slide 11

HIIP Performance: Stakeholder Feedback

Businesses:

- The quality of education / training needs to be improved; Business can help but can't assume responsibility for this; These schools are doing best they can, but its not yet enough; Need improved facilities; improved instruction materials/ content; and perhaps most importantly Clear and meaningful standards (and certification)
- Need to focus on improving language, soft skills (client focus, presentation, confidence);
- Industry needs employees that are better able to work with numbers; planning; and industry specific skills, e.g. cooking, bookings, reservations, bar and food service; and customer service more generally.

Schools / Training Institutions:

- We value institutional support but the opportunities for our students to obtain OTJ leading to employment even more

Interns:

- Consider this experience and opportunity to provide an excellent opportunity for employment and learning skills that will have lasting significance.

How are we defining success?

Slide 12

HIIP Performance: Findings

- **Established Effective Basis for Partnership**
 - Linkages between providers of job/skills training and employers;
 - Provides businesses with intern / employee candidates with relevant background;
 - Contributes to skills of employee candidates for businesses / sector.
- **Job Skills Developed**
- **Standards for Skills Developed, Tested and Applied**
- **Work Experience for Participating Interns**
- **Institutional Strengthening and Capacity Building Support**
 - Participating Schools, Teachers and Instructors
- **Longer Term Job Opportunities and Employment**

Slide 13

Key Findings: Performance and Conclusions

SUMMARY FINDINGS:

Small but effective effort. Success needs to be expanded.

CONSIDERATIONS FOR AN EXPANDED INTERNSHIP PROGRAM

Slide 14

Recommendations For Moving Forward
Expanded Internship Program: Scope, Scale and Timing

What are we going to implement?

Where?

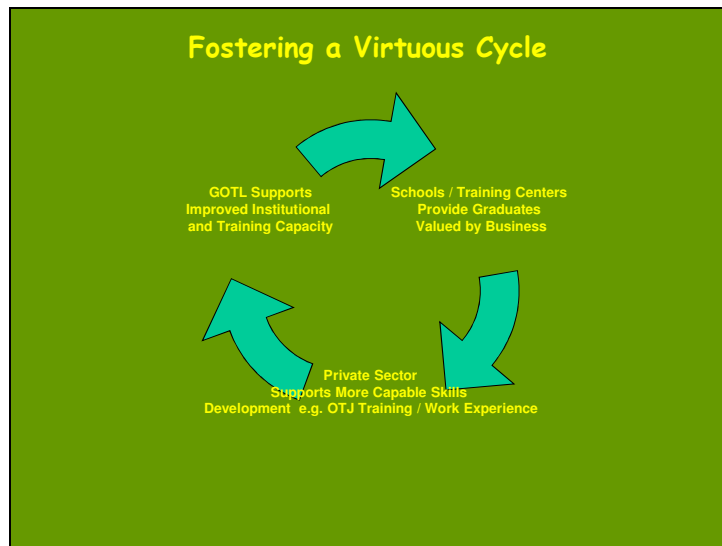
How and by Whom?

When?

Toward what end? The expected results?

Recommend 2 year expanded internship program seeking placement of up to 500 interns with partners from primarily the Hospitality and Tourism Sector

Slide 15



Slide 16

Budget Considerations: Expanded Internship Program

Budgetary Consideration	
Interns Work Experience - 100%	\$275,000
Pre-Work and Offsite Training	\$275,000
Institutional Capacity Building Strengthening	\$275,000
Program Cost	\$825,000
Operations Cost	\$137,500
Total Cost	\$962,500
Program Cost Per Intern	\$1,925

Budgetary Consideration	
Interns Work Experience - 50-50 sharing with Private Sector	\$137,500
Pre-Work and Offsite Training	\$275,000
Institutional Capacity Building Strengthening	\$275,000
Program Cost	\$687,500
Operations Cost	\$137,500
Total Cost	\$825,000
Program Cost Per Intern	\$1,650

Slide 17

Assumptions for Expanded HIIP

- 50% of Hospitality – Tourism Sector Businesses will host interns
- 30 establishments will take an average of 3 interns
- Participating businesses willing to sponsor interns in multiple (5 and 1/2 month) cycles
- Hospitality and Tourism Sector continues to grow along with demand for increasingly skilled workforce.

Slide 18

HIIP II Framework: Goals and Objectives

Support for Expanded Internship Program	Human / Institution Capacity Building to Improve Skills Development	Support Improved Partnership between H-T and Schools / Training Ctrs.
<ul style="list-style-type: none">Develop Better Job SkillsStrengthen CurriculaReinforce StandardsSupport OTJ Training & Work ExperienceEnhance Job ProspectsIncrease Awareness of Labor Market	<ul style="list-style-type: none">Strengthen Education and Training Institutions' capacity & coordinationStrengthen Partnerships with education / training institutions in the regionStrengthen standards and skills (hard / soft) for improving students' preparation for employment	<ul style="list-style-type: none">Help forge lasting partnership between (H-T) Industry, GoTL & Teaching / Training CentersExpand constituency & improve practices favoring demand-driven, marketable skills and linkages between training providers and employers in H-T sector.
<p>Improve Standards, Teaching Capacity & Skills to Provide Increasingly Well Prepared Candidates for Viable Job Opportunities</p>		<p>Strengthen capacity of businesses, schools and training centers to build skills in response to growing needs of Hospitality - Tourism Sector</p>
<p>Improve skills and expand quality of workforce necessary to support a growing hospitality – tourism sector</p>		

HIIP-2: Implementation Approach

STRATEGIC APPROACH SHOULD:

- Build upon the approach, expand and strengthen partnership of stakeholders;
- Coordinate efforts with Labor's efforts through INDMO to establish meaningful standards;
- Stakeholders work together to advance shared objectives.

The diagram consists of three ovals. At the top is a blue oval containing the text 'GOTL Efforts', 'Skills Development', and 'H-T Sector Growth'. Below it are two red ovals: 'Schools / Training Institutions' on the left and 'Businesses Hospitality & Tourism Sector' on the right. Red arrows point from each of these bottom ovals up towards the top oval. A red arrow also points from the left oval to the right oval.

Focus on building partnerships supporting institutional and human capacity necessary for improving skills Timorese Youth and Business require to succeed.

Expanded Internship Program Mobilization and Start-up

The diagram shows a timeline from July to November with five key steps in blue boxes:

- July:** Define TOR for implementing agency (ETDA) and with support from AG (SGP) & DSP define specific with H-T Sector demand / timing / operating parameters
- August:** Sub-contract ETDA and commence start up with partners from schools / training Centers & Enterprises / Industry (and GoTL); Refine selection criteria, announce and pre-select candidates for 1st group of rotating cycle of interns / OTJ assignments
- September:** First group of up to 90 candidates begin interview and 2 week pre-work training process as placement advances. OTJ begins
- October:** Series of Workshop / training involving supervisors / Mgrs. / Owners as well as Representatives from Schools / Training Ctr's.
- November:** Second cycle of intern identification, selection and placement initiated with additional H-T sector partners

Make decision to move ahead to determine businesses willing to sponsor interns and begin pre-identifying appropriate candidates

Slide 21

Toward what end?
Achievement expected at 6 months and after 2 years

Within 6 months of initiating expanded HIIP:

- At least 180 eligible intern candidates identified / engaged with at least 20 participating businesses.

By the end of two years, the expanded Internship Program will have:

- Engaged up to 500 interns with OTJ & off-site training experiences with over 30 businesses in Dili and beyond;
- Reinforced the adoption of occupational standards;
- Improved partnership / constituency for enhancing quality education and training;
- Established effective partnership, occupational standards and OTJ training through work experience as the accepted norm.

Slide 22

**Support Capacity Building of Associations
Hospitality and Tourism Sector and Relevant Schools/ Training
Institutions**

Business:

- The quality of education / training needs to be improved; Business can help but can't assume responsibility for this; These schools are doing best they can, but its not yet enough; Need improved facilities; improved instruction materials/ content; and perhaps most importantly Clear and meaningful standards (and certification)
- Need to focus on improving language, soft skills (client focus, presentation, confidence);
- Industry needs employees that are better able to work with numbers; planning; and industry specific skills, e.g. cooking, bookings, reservations, bar and food service; and customer service more generally.

Slide 23

Support Capacity Building & Partnerships
Hospitality and Tourism Sector and Relevant Schools/ Training
Institutions

Schools / Training Centers:

- We are committed to improving the quality of education, training and values of our students
- Recognize needs and opportunities for improvements
- Work experience and OTJ and off-site training provide excellent opportunities for our students and enthusiastic about helping to link graduates to job opportunities.
- Recognize need to update and improve curricula and the importance of improving language as well as soft skills;

Slide 24

Review – Comments / Q&A's

- Internship: Background / Rationale / Goals
- HIIP: Description / Goals / Objectives
- Performance
- Outcomes, Impact and Results
- Key Findings and Recommendations
- Next Steps...