



Final evaluation – Brief Report

Indo-German Institute for Advanced Technologies, India

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This report was produced by independent external experts.
It reflects only their opinion and assessment.

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Tabular overview**The evaluation mission**

Evaluation period	12.5.-30.11.2010
Evaluating institute / consulting firm	Center for Evaluation, Saarland University
Evaluation team	Dr. Dirk van den Boom (international consultant) Dr. Yaspal Sharma (national consultant)

The development measure

Title according to the offer	Indisch-Deutsches Zentrum für Moderne Technologien (IGIAT) [Indo-German Institute of Advanced Technologies]
Number	2001-2517.9-001.00
Overall term broken down by phases	01/2004-03/2010 (first and only phase), real start not until February 2006
Total costs	2.812.000 € German ODA, appr. 60 Mio. Indian Rupees partner contribution
Overall objective as per the offer, for ongoing development measures also the objective for the current phase	Training and consulting services offered by IGIAT are sufficient to meet the qualitative and quantitative demands of technology-driven SMEs in the region of Vishakapatnam
Lead executing agency	Ministry for Small-Scale Industries, Delhi; Ministry for Industries and Commerce of the State Andhra Pradesh
Implementing organisations (in the partner country)	Gayatri Vidya Parishad (Gayatri Foundation for Education)
Other participating development organisations	--
Target groups as per the offer	Employees, proprietors of small companies and job-seekers with knowledge-deficits in the area of advanced technologies, technology driven SMEs with deficits in the production-process and trainees, pupils, teachers and supervisors in technological subjects.

The rating

Overall rating <i>On a scale of 1 (very good, significantly better than expected) to 6 (the project/program is useless, or the situation has deteriorated on balance)</i>	(2)
Individual rating	Relevance: 2; Effectiveness: 2; Impact: 3; Efficiency: 1; Sustainability: 2

In July 2010 an independent evaluation of the project „Indo-German Institute for Advanced Technologies“ took place in India. The mission has been executed by the Center for Evaluation of the Saarland University (Germany) through an international and a national consultant. The field-mission considered the whole life-time of the project from January 2004 (official start, real start in 2006) until March 2010.

The Indo-German Institute of Advanced Technologies (IGIAT) has been established in the eastern Indian state of Andhra Pradesh, and there within the second biggest urban center named Vizakhapatnam. The project is based upon a public-private-partnership (PPP) model: participants are, aside from the German Technical Cooperation (GTZ) together with a sub-contractor (PEM Consult, Düsseldorf) the Indian Gayatri Foundation for Education (Gayatri Vidya Parishad, GVP) and the government of Andhra Pradesh, represented by the Ministry for Industries and Commerce. Originally, the project has been planned to last a total of seven years in two phases, but has later been reduced to one phase of four years with a delayed start in 2006. The major reason for the reduction was the fact that the concept of the project did not longer relate to the multi-level oriented, systemic development approach of German development cooperation.

The Indian vocational training and education (VET) sector has been neglected for a long time. The complex system, consisting of public and private educational institutions, financed through both public funds as well as through fees and contributions by students, faced a number of serious challenges. Among those is the rapid rise of India as a global production and processing center with a sharp increase in exports which lead to an increased need for well trained staff. The educational system has been less and less capable to meet the demands of a growing industry. This is based on the fact that the system did not have sufficient information about the needs of the industry because of lack of communication as well as the fact that it has been too slow in responding to needs even if they have been identified. Only since 2009 has the Indian central government taken steps to reform the sector with a wide and intensive program. Many aspects already reflected in the practice of IGIAT are visible in this reform, especially the support of PPP-models, the modularization of training and strengthening of practical applicability of content.

While GTZ has contributed to the infrastructural needs of the institute, the sub-contractor PEM Consult has been in charge of training and education issues. The partner organization GVP supported the project through recruitment of staff and delivery of know-how as well as funding to alleviate financial shortcomings in the initial period of the project. The government of Andhra Pradesh finally made land for the establishment of the institute available and made a one-time payment for initial investment.

IGIAT offers short-time training programs (for up to three months) for different target-groups. Despite the planned focus on small and medium enterprises (SME), it has been necessary to establish financial autonomy for the institute first. Because of this need, the institute widened

its scope of activities, e.g. towards public-funded programs for marginalized groups of the society (like girls and women from rural areas) or support for the public vocational training-institutions to make their students employable. Basic principle of all courses is a strong orientation towards practical application and the demands of the workplace. In this context certification – by governmental authority – has not been sought, both because a modular certification-system has not been in place when the project started and because the prestige of a German-Indian institute has been sufficient in the eye of the customers for the acknowledgement of self-certification.

The goal of the project according to the offer has been: “Training and consulting services offered by IGIAT are sufficient to meet the qualitative and quantitative demands of technology-driven SMEs in the region of Vishakapatnam”. Because of the short time-frame, the project aimed at two other goals: One, to gain financially autonomy and independence within a quite short project-period of four years and second, to increase the employability of students, either to seek adequate employment or to further their career in their workplace.

The **relevance** of the project in regard to important developmental issues of the vocational training-sector of India as well as in regard to the political reform-program initiated by the central government has been high. The congruence with the guidelines for development cooperation by the German Federal Ministry for Economic Cooperation and Development (BMZ) is less visible, as it fits well content-wise, but does not meet the holistic, multi-level approach asked for in country strategy-papers. This has also to do with the late start of the project and the time-gap between planning and implementation. While it has not been possible to anticipate the reform program, especially its relationship to the content of the IGIAT, while planning the project, it later became clear that this general development fits very well with the goals of IGIAT. The concept of IGIAT relates very well to the aims of the public reform program. This high relevance, rated with **(2) – good** – by the evaluation, describes a big potential for the participation of IGIAT in the systemic development of the sector in the future.

In rating **effectiveness** the evaluation came to mixed conclusions. On the positive side the fulfillment of important indicators has to be noted, in some cases with results much better than expected. The fact has to be highlighted that IGIAT has achieved a good degree of financial sustainability already after the second year of existence, with a considerable profit generated in the third. Capacity utilization has been a positive indicator as well, as it increased in parallel to an expansion process in regard to workshops. On the other hand it has to be mentioned that the originally intended focus on SMEs has been somewhat diluted and public cooperation partners for educational programs are dominant. Here, indicators have only been fulfilled with effort. In addition, the ability to find jobs for former students has only increased towards the end of the project. In an overall judgment, some positive non-intended results have to be mentioned as well. Here the role of the Institute as an incubator

of technological development of cooperating companies has to be mentioned as well as the fact that the organizational concept of the Institute has generated interest in duplication by other Indian states. All in all, effectiveness has been rated as **good (2)**.

Measuring **impact**, that is indirect results of the project, has been a little bit less positive. This is closely connected to the relatively short lifetime of the project and the deficit in the Institute's contribution to the overall system. Impact on the general economic condition of India as well as the VET-system cannot be expected from a single institution. Also in regard to cross-cutting issues, the Institute's work could only be attributed to the topics gender, poverty eradication and environment. In regard to gender, this has been made possible by the participation in public funded programs. Generally, it can be assumed that the work of IGIAT has contributed to an increase in productivity and quality of workmanship in cooperating companies. Therefore the overall rating has been made as **(3), satisfactory**.

A positive result has been visible in the area of **efficiency**. It is notable that the Institute has been able to provide training for nearly 10000 participants despite the quite short lifetime of the project. In a total of 15 workshops capacity utilization has reached a total of nearly 80 % in the final year, in some workshops due to work in shifts up to 200 %. The positive rating of efficiency is therefore not only related to the fact that financial sustainability has already been achieved in the second year of existence (in the final year income has been generated covering 160 % of expenses), but is also due to the fact that the German ODA-contribution has been complemented by their own financial contributions from partners. This has increased the potential for positive results considerably. Meaningful focus on adequate infrastructural investment and investment in capacity development for the teaching staff related well to the needs of the project and contributed towards the success. Delivery of inputs and activities has been right on time and within an adequate time-frame. Overall rating of efficiency is therefore **(1), very good**.

Sustainability is of central importance for any project. The potential developed by the IGIAT is considerable: It can boast of a dedicated and highly professional staff, a very good prestige and sustainable connections to customers. In addition, the general economic situation of the institute looks promising. Long-term decisions taken by the last director bode well for the structural and economic foundations of the Institute in the foreseeable future. Diversification and increased professionalization of activities are among the major pillars of this strategy. Challenges for sustainability persist in regard to the future steering-structure, the ability to retain qualified staff and the prospects to generate sufficient funds for needed infrastructural investments in the future, which cannot all be paid out of the current budget. A lot in regard to these challenges depends on the steering structure of the institute, especially on the ability to think in long-term strategies. Under the condition that the replacement of the director, who left the Institute recently, will go smoothly and the capacity for strategic

planning will be sustained in order to follow through on the already initiated steps, sustainability is rated as **good, (2)**.

Overall rating of this project is **(2), good**.

In regard to capacity development it has to be noted that only the IGIAT itself has been beneficiary of contributions. Other partner institutions (Ministry, GVP) have not benefited from capacity development activities. On the other hand the contribution by partner institutions towards the development of IGIAT has been significant. It is important to point to the fact that the project has been a “real” partner-project, because the contribution of Indian partners has not only been declaratory, but consisted of tangible efforts and considerable financial means on an equal basis.

Finally, the most important **recommendations** for the IGIAT as well as its governing structure have to be mentioned. As the project will not enter into a second phase and the influence of GTZ towards the future development of IGIAT is somewhat limited, direct contributions will only be possible where the portfolio of IGIAT’s services can relate to other activities of German Development Cooperation in the country. Here, the fact that responsibility for VET has been shifted from the authority of the German Ministry for Economic Cooperation and Development (BMZ) towards the Ministry for Education and Science (BMBF) is of importance as well.

One recommendation for the *Institute* and its governing body, *the Society*, is to reform the steering structure to make it fit for the demands of future planning processes in order to build a solid basis for decisions and sustainable steering processes. The tentative plans to reform the existing “Local Advisory Council” by increasing the number of members have to be more precise.

Another recommendation for the *Society* is to do everything possible to keep the period of vacancy for the post of the Institute’s director as short as possible, especially in order to tackle the already described challenges in regard to sustainability.

The *Institute*’s leadership should develop and maintain a clear strategic focus in regard to the future development of the Institute. Now, as a certain degree of financial sustainability has been achieved, the need arises to deepen the already initiated plans to sharpen the Institute’s profile. Connected to this are decisions in regard to issues like the future balance between production, training and consulting activities as well as the balance between the topics of different training courses in regard to sustainability of demand of the job-market. Diversification and identification of new areas of advanced technology are the keywords in this context. This can also contribute to the diversification of sources of income and therefore towards the sustainability of the overall economic situation of the Institute.

Finally, it is recommended that *GTZ* should continue to monitor the activities of IGIAT and should ask for its services where programs and projects of German development cooperation fit into the portfolio. *GTZ* will continue to be represented in the governing structure of the

Institute and will therefore entertain some influence on future decisions. Current plans by GTZ office in Delhi to include the IGIAT in activities where possible are to be commended and show awareness of the need to follow developments of the IGIAT even after the end of the project. If GTZ will be allowed to contribute to the VET-sector of India in a limited way in the future, services of IGIAT might be helpful. The already commenced efforts to market the IGIAT-concept through GTZ International Services should be strengthened.

Planned and actual indicator values:

Indicators on the level of use of output:

<p><u>Indicator 1</u></p> <p>Yearly increase by 30 % of quantity of SMEs using the services of IGIAT for at least cost-covering fees.</p>	<p><u>Indicator 2</u></p> <p>Share of SMEs in customer-portfolio is above 50 %.</p>	<p><u>Indicator 3</u></p> <p>Capacity utilization of IGIAT increases by 30 % on a yearly basis and reaches at least 80 % in final project year.</p>				
<p>Status:</p> <p>Year 2: 92 %</p> <p>Year 3: 15,8 %</p> <p>Year 4: 7,3 %</p>		<p>Status:</p> <p>Year 1: 46,7 %</p> <p>Year 2: 54,2 %</p> <p>Year 3: 54,3 %</p> <p>Year 4: 52,6 %</p>		<p>Status:</p> <p>Year 1: 40 %</p> <p>Year 2: 52,1 %</p> <p>Year 3: 68,6 %</p> <p>Year 4: 79,4 %</p>		

Indicators on the level of outcome:

<p><u>Indicator 1</u></p> <p>A minimum of 50 % of trained job-seekers are successfully placed in the labourmarket.</p>	<p><u>Indicator 2</u></p> <p>A minimum of 50 % of trained employees are given higher salaries and/or positions of higher responsibility within their companies.</p>	<p><u>Indicator 3</u></p> <p>Income out of activities covers all expenses.</p>				
<p>Status:</p> <p>Year 1: 3,3 %</p> <p>Year 2: 9,1 %</p> <p>Year 3: 34 %</p> <p>Year 4: 39 %</p>		<p>Status: no quantitative assessment possible</p>		<p>Status:</p> <p>Year 1: 46,2 %</p> <p>Year 2: 102,2 %</p> <p>Year 3: 125,8 %</p> <p>Year 4: 158,9 %</p>		

KNOWING WHAT WORKS
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