

The logo of the Asian Development Bank (ADB), consisting of the letters 'ADB' in white serif font on a dark blue square background.

LEARNING FROM SUCCESSFUL EDUCATION PROJECTS

A Case Study from the 2006 Annual Evaluation
Review

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Abbreviations

ADB	Asian Development Bank
EA	executing agency
Lao PDR	Lao People's Democratic Republic
PCR	project completion report
PPER	project performance evaluation report
TEVT	technical education and vocational training

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I. Quality at Entry

1. Thirty-two Asian Development Bank (ADB) education projects approved during 1990–1997¹ were rated as successful or highly successful by project performance evaluation reports (PPERs) and project completion reports (PCRs), equivalent to 76% of the rated projects approved during the decade. They covered four education subsectors: technical education and vocational training (TEVT, 39% of lending),² secondary education (26%), primary/basic education (18%), and higher education (17%).³ Over time, there has been a shift in the composition of ADB lending in the education sector in favor of basic education.

2. All successful projects were relevant. They reflected the governments' education strategies and were aligned with the countries' expressed development needs. For example, the Primary Education Sector Project (Bangladesh) and the Education Quality Improvement Project (Lao People's Democratic Republic [Lao PDR]) were part of their respective governments' commitments to achieve universal primary education. The Junior Secondary Education Project (Indonesia) was designed to support universal basic education and implement the national curriculum. Similarly, the Basic Skills Project in Cambodia and the Postsecondary Education Rationalization Project in the Lao PDR were consistent with the needs of postconflict economies for skilled and semiskilled workers.

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3. The highly successful Education Sector Development Program in Mongolia was designed to transform the education sector to match the changing requirements of an economy in transition from a centrally planned to a market-oriented system. Mongolia's Education Sector Development Program recognized that the government had limited absorptive capacity, especially for implementing externally financed projects. Thus, it used a sector development program modality⁴ to achieve broad policy reforms to meet immediate needs at the institutional level.

4. Another characteristic of successful projects was their participatory approach for project design and implementation. Successful projects built alliances and shared ownership by

¹ There were 42 education projects approved in the 1990s that have been completed and rated.

² One reason for the high lending proportion in the TEVT subsector is that it also included three skills development and nonformal education projects (totaling \$126.7 million), since these projects provided "vocational" training.

³ During the latter half of the 1990s, most of the lending in education went to basic education in response to ADB's education strategy. As a result, during 1991–2000, basic education accounted for 41% of all lending in the education sector, followed by secondary education (23%), TEVT (23%), and higher education (13%). During 2001–2005, the share of basic education increased to 72%, followed by TEVT (14%), secondary education (9%), and higher education (5%). Prior to 1990, about half of all lending in the education sector went to TEVT, followed by higher education (30%), secondary education (10%), and basic education (10%).

⁴ This was ADB's first sector development program.

engaging with, and addressing the priorities of, a broad range of stakeholders. The Basic Education Project in Indonesia, for example, built a successful partnership among the project schools, the government, and ADB through a matching grant program designed to improve school facilities. The Junior Secondary Education Project (Indonesia) involved the community in school management and operation and maintenance (O&M) activities.

5. Many successful projects were part of a series of continuing projects addressing the same objectives in the same subsector. Consistency and continuity helped to make a sustainable impact. For example, the Second Girls Primary School Sector Project (Pakistan) was designed to build on the experience and achievements of an earlier project. The Private Junior Secondary Education Project in Indonesia, which was designed to strengthen the role of private community schools catering to poor students, complemented the Junior Secondary Education Project, which focused on public schools. Learning from past experience can help to improve the probability of project success.

II. Impacts on Beneficiaries

6. A factor underlying project success was the critical mass of benefits/beneficiaries created by the projects. Some of these projects, though small in terms of loan amounts, had nationwide impacts when ADB effectively complemented much larger levels of government funding and the work of other aid agencies. For example, some major policy reforms were adopted under the Education Sector Development Program (Mongolia), including strengthening education management capacity, rationalizing/restructuring about 170 schools, introducing a cost-sharing secondary education textbook scheme, developing a policy framework on TVET, and promoting private sector provision and privatization of higher education. Together, these reforms had a significant, positive impact, including increased enrollment at all education levels during 1996–2002 and an increased retention rate of children who started grade 1 reaching grades 7–10. The Basic Education Textbook Project (Cambodia) provided quality textbooks to

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about 3 million students, and teacher guides to 70,000 teachers nationwide. These outputs contributed to achieving increased student pass rates and reduced dropout rates. The Postsecondary Education Rationalization Project (Lao PDR) consolidated various colleges to form the National University of Lao and provided overseas training to about 500 faculty and staff. University enrollment increased from about 8,000 to 18,000 during 1996–2002. About 80% of the 3,000 graduates in 2003 found jobs within a year.

7. Another success factor in the education projects was the emphasis on cross-cutting themes, especially poverty reduction and gender concerns. For example, the Secondary

Education Development Project (Bangladesh) provided stipends to 1.4 million female students in rural and disadvantaged areas. This led to increased female enrollment, which accounted for 45% of total enrollment during 1993–2000. The Second Girls Primary School Sector Project (Pakistan) helped to increase girls' enrollment in rural areas by about 200,000 during 1996–2005 through the establishment of community model schools for girls in union councils. The Skills Development Project (Thailand) established a women-friendly center and developed seven women-friendly training packages. This resulted in increased enrollment of women at the 22 skill development centers and institutes from 15% to 40% during 1994–2002.

8. Successful projects generally had satisfactory institutional impacts which, in turn, contributed to achieving project outcomes/impacts. The institutional impact of the Higher Education Project in Indonesia, for example, was substantial. A new generation of lecturers (about 800) was created from the project's overseas and in-country fellowship and training programs. Their improved management capacity and academic skills subsequently contributed to strengthening teaching and research capabilities in regional universities. Some of these universities were then able to develop their own self-financed master's degree programs, and their lecturers were able to obtain funding support elsewhere to conduct research work.

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III. Quality During Implementation

9. Despite delays in implementation, several education projects used resources efficiently and achieved some cost savings without affecting project outputs. While most of the savings resulted from the depreciation of the local currencies against the dollar, some savings resulted from substituting qualified domestic experts for expensive international consultants, as well as lower unit costs of equipment and instructional materials than estimated at appraisal.

10. Some successful education projects helped to rationalize national education systems. The Education Development Project (Cook Islands), the Education Quality Improvement Project (Lao PDR), the Postsecondary Education Rationalization Project (Lao PDR), the Education Sector Development Program (Mongolia), and the Secondary Education Development Project (Sri Lanka) helped rationalize the education systems in these countries by restructuring and consolidating schools/classrooms to increase economies of scale in operations, thus increasing cost effectiveness and efficiency.

11. Project facilities were generally well utilized in the successful education projects. The exceptions were some projects at the TEVT and higher education levels, in which some sophisticated science/engineering equipment and buildings were underused.

12. Consultants and contractors generally performed well in most of the successful projects and contributed to the achievement of development results. A notable case was the highly successful Secondary Education Development Project (Sri Lanka), in which the international team leader proved to be very effective in encouraging hands-on participation and cooperation among consultants and concerned government agencies. This experience emphasizes the importance of thoroughly assessing the qualifications and experience of consultants before making the recruitment decision.

IV. Sustainability of Project Benefits

13. Unlike TEVT and higher education projects, basic and secondary education projects are generally not able to recover costs. In the absence of adequate budgetary support from the government, such projects are not sustainable. Continued financial commitment from government is important for project success.

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14. Prospects for sustainability were good for education projects that were able to recover costs and/or generate revenues. The Vocational and Technical Education Project in Indonesia set up production units in most project schools to sell products, courseware, curriculum guides, and training packages to private schools as a way to generate an income stream. Some of these units were able to realize sizeable revenues. Schools that offered courses on food and beverages, hotel, cosmetology, and tourism also operated business units. The Postsecondary Education Rationalization Project (Lao PDR) developed demand-based evening courses that generated tuition, boarding, and lodging fees sufficient to offset costs. These revenues accounted for 60% of the total revenues of the National University of Lao.

V. Performance of Executing Agencies

15. The borrowers of successful projects generally made counterpart funds available as required and complied with loan covenants. Implementation delays were endemic even in successful education projects, with delays ranging from a few months to 2 years in the Technical Education Project (Pakistan). The main reasons for the delays included difficulties in recruiting staff, frequent changes of project directors, lengthy and inadequate understanding of procurement/consultant selection procedures, and poor monitoring. Long delays reflected weak

ownership/commitments on the part of governments. Not surprisingly, successful projects had fewer and shorter delays. Executing agencies (EAs) of successful projects were more committed and their institutional readiness was greater than their partly successful counterparts. They were better able to plan, manage, implement, and monitor the projects and therefore better able to minimize delays. Institutional readiness should be an important consideration in loan negotiations, as it appears to be an important driver of project success.

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16. The ability of EAs to monitor and coordinate project activities is related to the number of agencies and institutions involved in a project. As their number increases, so too do problems with implementation, monitoring, and coordination. However, some successful projects like the Higher Education Project (Indonesia), which included seven public and eleven private universities spread across different islands, succeeded in managing this institutional complexity.

VI. ADB's Contributions to Project Success

17. Consistent ADB involvement over a long period contributed to successful outcomes in the education sector, particularly when sector/subsector reforms were pursued.

18. For successful projects, ADB generally provided enough supervisory missions, an average of 11 missions and 190 mission person-days. One lesson learned is that sometimes ADB needs to increase the quality of the supervision missions. In some of the successful projects, the quality of supervision missions was positively noted, particularly in trying to resolve various implementation issues (in relation to procurement, financial management, and reporting) at early stages such as in the Basic Education Textbook Project (Cambodia), the Postsecondary Education Development Project (Lao PDR), and the Basic Skills Project (Cambodia). In a partly successful project (Bangladesh's Higher Secondary Education Project), many review missions were combined with other projects so enough attention may not have been devoted to this project.

19. ADB was particularly active in the preparation phase of the first education projects in Cambodia (Basic Skills Project) and Mongolia (Education Sector Development Program). Its activities in these projects reflect early recognition of the limited absorptive capacity of the two governments, and the corresponding importance of early intervention to project success.

20. The involvement and support of resident missions appears to have been an important factor in the success of some projects. Most of the education projects in Indonesia, for example, were delegated to the resident mission. This facilitated project implementation. Other resident missions (e.g., in Bangladesh, Cambodia, Lao PDR, Pakistan, and Sri Lanka) provided support and guidance during implementation and coordinated with other funding agencies. The Bangladesh Resident Mission also provided support in terms of advice to an education project in Bhutan (Technical and Vocational Education and Training Project).

VII. Exogenous Factors

21. The 1997 Asian financial crisis was the major exogenous factor affecting education projects in Thailand (Skills Development) and Indonesia (six projects) that were active at the time. This crisis resulted in implementation delays, depreciation of the local currencies, and severe pressures on the governments' fiscal position and public sector management. However, in successful education projects ways were found to overcome these challenges so that the achievement of development results was not imperiled by the fiscal crises.

VIII. Counterfactual in the Education Sector

22. For the education sector some key parameters were compared for highly successful, generally successful, and partly successful projects to see if there were significant differences (see table on page 8). This was supplemented by a review of PPERs and PCRs to determine some of the major differences between education projects that were rated as successful and those that were not.

23. Size and complexity seem to be related to project success in the education sector. The average cost of a partly successful project (\$365.5 million) was 4 to 5 times larger than the average cost of a successful (\$74.7 million) or highly successful (\$99.6 million) project. Cost deviations were more likely to be associated with partly successful projects. Cost overruns were relatively infrequent for education projects approved in the 1990s. One partly successful project had a cost overrun of 29%. The cost overrun experienced in the one successful project was 3.9%. Cost underruns were larger in partly successful projects (-29%) than in successful (-20%) and highly successful (-15%) ones.

24. Implementation delays were not a good predictor of project success. Delays in the implementation of education projects approved in the 1990s were modest, averaging 1.3 years.

Delays in partly successful projects (1.8 years) were only slightly longer than the delays in successful education projects (1.1 years).

25. There was an inverse relationship between the number of ADB staff-days committed during project processing and project success. The education projects that turned out to be partly successful received the most input from ADB staff during project processing missions, an average of 93 days. The corresponding figures were lower for successful (86 days) and highly successful (56 days) projects. Further analysis would be needed to explain why this is so. After adjusting for differences in the time required for implementation, it appears that ADB staff spend more time on review missions for partly successful education projects (an average of 32 days per year), than for successful (23 days) or highly successful (21 days) ones. This suggests that ADB recognizes that more time and effort are needed to address the difficulties that arise in education projects that are ultimately judged to be less than successful.

26. The review of PPERs and PCRs identified the following characteristics of partly successful education projects:

- (i) In partly successful projects, more attention was paid to the quantity of review/supervisory missions than to the quality of their work. Generally, more supervisory missions were fielded for the poorer performing education projects than was the case for successful and highly successful projects (both in terms of mission numbers and person-days). However, many of these missions were combined with other projects and did not appear to be successful in resolving problems.
- (ii) Partly successful projects had less institutional readiness as reflected in longer delays in project startup compared with successful and highly successful projects (with the average number of months between loan approval and effectiveness of 9.6 vs. 3.8, and the average number of months between loan effectiveness and first disbursement of 6.9 vs. 3.5).
- (iii) For skills improvement projects, beneficiaries could not use their acquired skills in the job market, because there was little linkage in the project design between the education and employment opportunities.

Characteristics of Successful Education Projects

	Highly Successful		Generally Successful or Successful		Partly Successful ^a		Total	
	No. of Projects	Average	No. of Projects	Average	No. of Projects	Average	No. of Projects	Average
Project Characteristics								
Size of Project (\$ Million)	7	99.6	25	74.7	10	365.5	42	148.1
Economic Internal Rate of Return at Appraisal (%)								
Economic Internal Rate of Return at Post-Evaluation (%)			4	10.8			4	10.8
Planned Implementation Period (Years)	7	5.0	25	5.2	10	5.0	42	5.1
Actual Implementation Period (Years)	7	6.1	25	6.4	10	6.9	42	6.4
Implementation Delay (Years)	7	1.1	25	1.1	10	1.8	42	1.3
Cost Deviation (%)	7	(12.5)	25	(20.1)	10	(23.3)	42	(19.6)
Cost Overrun (%)	1	3.9			1	28.9	2	16.4
Cost Underrun (%)	6	(15.3)	25	(20.1)	9	(29.1)	40	(21.4)
ADB Inputs								
Project Processing Missions	7	1.3	25	2.1	10	1.8	42	1.9
Project Processing Person Days	7	56.0	25	86.1	10	92.6	42	82.6
Project Administration Missions during Implementation	7	9.6	24	10.1	10	11.4	41	10.3
Project Administration Missions per Year of Implementation	7	1.6	24	1.6	10	1.7	41	1.6
Project Administration Person Days during Implementation	7	125.7	24	146.1	10	180.0	41	150.9
Project Administration Person Days per Year of Implementation	7	20.9	24	23.1	10	31.7	41	24.8

^a No education project approved during the 1990s was rated as unsuccessful.

Notes:

"Average" refers to simple mean (i.e. unweighted)

Project size refers to the actual cost of the project which includes funding from ADB, government, and other sources.

Implementation period refers to the length of time taken to implement a project (from original date of effectiveness to completion).

Implementation delay is the difference between planned and actual implementation period.

Processing missions comprise fact finding and appraisal missions.

Administration missions are supervision missions carried out from inception to project completion, excluding PCR missions.

Source: Project Completion Reports and Project Performance Evaluation Reports of approved education projects since 1990 containing a rating circulated as of 31 December 2005.