

ASIAN DEVELOPMENT BANK

PCR: BAN 27034

PROJECT COMPLETION REPORT

ON THE

**NONFORMAL EDUCATION PROJECT
(Loan 1390-BAN[SF])**

IN

BANGLADESH

August 2003

CURRENCY EQUIVALENTS

Currency Unit	–	taka (Tk)
At Appraisal (1995)		At Project Completion (2001)
Tk1.00 = \$0.0249	–	\$0.0173
\$1.00 = Tk.40.10	–	Tk57.65

ABBREVIATIONS

ADB	-	Asian Development Bank
BRM	-	Bangladesh Resident Mission
CBA	-	center based approach
DNFE	-	Directorate of Nonformal Education
EFA	-	Education for All
FY	-	fiscal year
GDP	-	gross domestic product
IDA	-	International Development Association
INFEP	-	Integrated Nonformal Education Program
LGED	-	Local Government Engineering Department
MIS	-	management information system
MOPME	-	Ministry of Primary and Mass Education
MTR	-	midterm review
NCPME	-	National Council for Primary and Mass Education
NFE	-	nonformal education
NGO	-	nongovernment organization
PCC	-	Project Coordination Committee
PCR	-	Project Completion Report
PDA	-	primer distribution approach
PIMU	-	Project Implementation Management Unit
PLCE	-	Postliteracy and Continuing Education
PMED	-	Primary and Mass Education Division
PPAR	-	Project Performance Audit Report
PPMS	-	Project Performance Management System
PVO	-	philanthropic voluntary organization
SDC	-	Swiss Agency for Development and Cooperation
TA	-	Technical Assistance
TSSU	-	Technical Support Services Unit
TLM	-	Total Literacy Movement

GLOSSARY

Center	Temporary school for nonformal education consisting of one small room chosen from a suitable house of a village where all learners attend.
Primer	Textbook for nonformal education.

NOTES

- (i) The fiscal year (FY) of the Government ends on 30 June. FY before a calendar year denotes the year in which the fiscal year ends.
- (ii) In this report, "\$" refers to US dollars

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BASIC DATA

A. Loan Identification

1.	Country	Bangladesh
2.	Loan Number	1390-BAN(SF)
3.	Project Title	Nonformal Education Project
4.	Borrower	Bangladesh
5.	Executing Agency	Directorate of Nonformal Education
6.	Amount of Loan	SDR14,007,480
7.	Project Completion Report Number	PCR:BAN 753

B. Loan Data

1.	Appraisal			
	– Date Started		8 April 1995	
	– Date Completed		25 April 1995	
2.	Loan Negotiations			
	– Date Started		23 August 1995	
	– Date Completed		25 August 1995	
3.	Date of Board Approval		29 September 1995	
4.	Date of Loan Agreement		28 November 1995	
5.	Date of Loan Effectiveness			
	– In Loan Agreement		26 February 1996	
	– Actual		25 May 1996	
	– Number of Extensions		2	
6.	Closing Date			
	– In Loan Agreement		30 June 2001	
	– Actual		3 December 2001	
	– Number of Extensions		None	
7.	Terms of Loan			
	– Interest Rate		1%	
	– Maturity (number of years)		40 years	
	– Grace Period (number of years)		10 years	
8.	Disbursements			
	a. Dates			
		Initial Disbursement	Final Disbursement	Time Interval
		18 November 1996	3 December 2001	5 years and 15 days
		Effective Date	Original Closing Date	Time Interval
		25 May 1996	30 June 2001	5 years, 1 month, and 5 days

b. Amount (\$)

Category	Item	Original Allocation	Last Revised Allocation	Amount Canceled	Net Amount Available	Amount Disbursed	Undisbursed Balance
01	Civil Works	705,000	1,373,475	685,752	1,373,475	687,723	685,752
02	Equipment	324,000	366,808	81,214	366,808	285,594	81,214
03	Materials and Office Supplies	35,000	29,120	29,120	29,120	0	29,120
04	Service Charges	627,000	537,349	88,176	537,349	449,173	88,176
05	Unallocated	4,477,000	0	0	0	0	0
Local Currency Expenditures							
06C	Training—NFE Program	18,856,000	20,226,273	3,492,978	20,226,273	16,733,295	3,492,978
06D	Training—Pilot Program	1,500,000	657,992	121,742	657,992	536,250	121,742
06E	Project Support—PIMU/Salary	176,000	245,716	39,307	245,716	206,409	39,307
	Total	26,700,000	23,436,733¹	4,538,289	23,436,733	18,898,444	4,538,289²

9.	Local Costs (financed)	
-	Amount (\$)	\$17,707,245
-	Percent of Local Costs	54%
-	Percent of Total Cost	51%

C. Project Data

1. Project Cost (\$'000)

Cost	Appraisal Estimate	Actual
Foreign Exchange Cost	2,334	1,593
Local Currency Cost	44,898	32,847
Total	47,232	34,440

2. Financing Plan (\$'000)

Cost	Appraisal Estimate	Actual
a. Implementation Costs		
Borrower-Financed	10,032	7,718
ADB-Financed	26,073	18,449
Other External Financing	10,310	7,824
Subtotal (A)	46,415	33,991
b. IDC Costs		
Borrower-Financed	—	—
ADB-Financed	627	449
Other External Financing	190	—
Subtotal (B)	817	449
Total (a+b)	47,232	34,440

ADB = Asian Development Bank, IDC = interest during construction.

¹ Amount varies because of exchange rate fluctuation between SDR and \$.

² Undisbursed balance cancelled during loan closing.

3. Cost Breakdown by Project Component (\$'000)

Component	Appraisal Estimate	Actual
a. Civil Works and Land	1,355	1,670
b. Equipment	360	286
c. Furniture and Fittings	175	142
d. Local Training/Fellowships	113	184
e. Service Vehicles/Motor Cycles	992	474
f. NFE Program Delivery	28,488	24,488
g. Pilot Programs	2,000	1,878
h. Implementation Cost		
– Service Vehicles/Motorcycles	350	381
– Buildings, Furniture, and Equipment	95	—
– DNFE Salaries	2,344	2,290
– PIMU Salaries	176	207
– Materials and Office Supplies	350	734
– Rental Accommodation Cost	375	302
Subtotal Base Cost	37,173	33,036
i. Contingencies		
– Physical	2,014	—
– Price	6,128	—
j. Service Charge	817	449
k. Taxes and Duties	1,100	955
Subtotal Other Costs	10,059	1,404
Total	47,232	34,440

4. Project Schedule

Item	Appraisal Estimate	Actual
Date of Contract with Consultants	January 1996	January 1998
Completion of Engineering Designs	February 1996	April 1998
Civil Works Contract		
– Date of Award	May 1996	June 1998
– Completion of Work	February 1998	December 2000
Equipment and Supplies		
– First Procurement Date	September 1996	June 1998
– Last Procurement Date	May 1999	December 2000
Training, Fellowship, and Study Tour		
– Commenced	March 1996	July 1997
– Completed	August 2000	May 2001
Contract with NGOs for Program Delivery		
– First Contract Signing	March 1996	January 1997
– Last Contract Signing	February 2000	June 2000
Program Delivery		
– Commencement	March 1996	February 1997
– Completion	February 2001	April 2001

5. Project Performance Report Ratings

Implementation Period	Ratings	
	Development Objectives	Implementation Progress
a. From 1 November 1998 to 31 December 2000	S	S
b. From 1 January 2001 to 31 May 2001	S	HS
c. From 1 June 2001 to 31 December 2001	S	S ³

S = Satisfactory, HS = Highly Satisfactory

D. Data on Asian Development Bank Missions

Name of Mission	Date	No. of Persons	No. of Person-days	Specialization of Members
Fact-Finding	14 Nov to 3 Dec 1994	5	86	a, b, c, d, e
Appraisal	8 to 25 Apr 1995	16	102	a, f, g, h, i
Inception	31 May to 3 Jun 1996	2	6	j, k
Review 1	20 to 22 Sep 1996	1	2	j
Special Loan Admin. 1	12 to 18 Nov 1996	2	12	j, l
Review 2	8 to 11 Mar 1997	2	6	j, m
Special Loan Admin. 2	2 to 8 Jun 1997	1	6	k
Review 3	10 to 17 Sep 1997	2	14	j, e
Review 4	2 to 9 Jun 1998	2	14	j, m
Special Loan Admin. 3 ⁴	20 Jun to 1 Jul 1998	3	6	k, b, n
Special Loan Admin. 4	27 Aug 1998	1	1	k
Midterm Review	6 to 16 May 1999	2	20	a, l
Special Loan Admin. 5	23 to 25 Nov 1999	1	2	b
Special Loan Admin. 6 ⁵	29 Feb to 7 Mar 2000	1	2	k
Review 5	4 to 25 Jun 2001	2	42	o, l
Project Completion Review	4 to 25 Mar 2003	2	42	o, p

A = education specialist, b = project specialist, c = institutional development specialist, d = education finance specialist, e = programs officer, f = senior counsel, g = senior sector specialist, h = project officer, i = financial analyst, j = senior education specialist, k = senior project specialist, l = assistant project analyst, m = senior project officer, n = associate project analyst, o = project implementation specialist, p = evaluation specialist.

³ Rating changed from highly satisfactory to satisfactory after revision of rating criteria.

⁴ The Mission covered six loans simultaneously—Loans 1123, 1173, 1074, 1390, 1521, and 1538.

⁵ The Mission covered four loans—1390, 1521, 1538, and 1690.



I. PROJECT DESCRIPTION

1. The Asian Development Bank (ADB) funded the Nonformal Education (NFE) Project to assist the Government in achieving Education for All (EFA) by improving and expanding NFE to reach illiterate adults (15–24 years), particularly females. Another important objective of the Project was to strengthen the institutional capability of the Government to deliver quality NFE programs. The Project's target was to provide literacy training to about 2.5 million illiterate adults in 53 selected *upazilas* (subdistricts) (see Appendix 1) that had low literacy rates and illiterate adults who were bypassed by formal education opportunities, to ensure the high literacy rates necessary for sustainable economic growth and poverty reduction. This was a priority Project, given the Government's EFA mandate and ADB's strategic objectives of poverty reduction and improvement of the status of women against the backdrop of a low adult literacy rate¹ (35% in 1991) contributing to the perpetuation of poverty.

2. The Project comprised the following two major components:

- (i) **Institutional development.** This component included (a) formulating a National Council for Primary and Mass Education; (b) establishing the Directorate of Nonformal Education (DNFE) by institutionalizing the former Integrated Nonformal Education Program (INFEP), which was staffed by qualified personnel able to function in related tasks, such as planning, training, monitoring, and evaluation; and (c) staff development through hands-on training to strengthen its capacity in NFE approaches, curriculum and materials development, training, program development, financial management system development, and computer literacy and skills development.
- (ii) **Expansion and improvement of NFE.** This component consisted of (a) delivery of NFE to about 2.5 million illiterate adults, of which 1.3 million were expected to be women; (b) quality improvement of NFE through identifying core competencies and learning outcomes, upgrading curriculum, conducting studies to support program improvement, and monitoring and evaluating using management information systems (MISs); (c) conducting studies of alternative NFE models and pilot-testing the Total Literacy Movement (TLM) to improve NFE quality; and (d) promoting social mobilization through various media and developing a 5-year social mobilization work plan.

II. EVALUATION OF DESIGN AND IMPLEMENTATION

A. Relevance of Design and Formulation

3. The Project was highly relevant to ADB's education policy, articulated in *Education and Development in Asia and the Pacific* (1991), which identified NFE as a subsector priority to reduce illiteracy and complement the formal education system where the latter is not capable of meeting the demand for education, particularly of women and disadvantaged groups (adults and adolescents between 15 and 24 years of age). The Project was relevant to ADB's Sector Assistance Strategy 1995–2000 for Bangladesh (March 1995), which reiterated the need for complementary NFE as a prerequisite for poverty reduction. The Project is also highly relevant to ADB's operational strategy in Bangladesh (1993), which emphasized the need to increase human resources capacity—through provision of primary education and mass literacy and adult

¹ Population Census 1991, Bangladesh Bureau of Statistics.

education, as part of an overall poverty reduction focus—particularly of disadvantaged groups in rural areas. The Project was relevant, as it directly addressed ADB's strategic objectives of poverty reduction and improvement of the status of women as well as subsector and country priorities by providing NFE programs especially designed to meet the needs and interests of women. Further, the Project is very relevant to ADB's priority of strengthening the institutional capabilities of sector organizations, including their planning and management capabilities.

4. The Project is highly relevant to the development objectives of the Government, which include improving the condition of life through poverty reduction, human development, and women's participation in development. The Project meets the development objectives of the country in the context of (i) relatively high levels of illiteracy among children, adolescents, and adults; (ii) the Government's strong commitment to NFE, as demonstrated by high growth of allocations to the education sector and a higher share of the NFE subsector² within the sector (from below 1% in FY1990/1991 to 7% in FY2000/2001); (iii) the Government's EFA objective of achieving 62% literacy by 2000; (iv) the need to develop an institution capable of delivering improved, large-scale NFE programs; (v) the favorable social climate related to NFE provision, which results from high demand, especially on the part of the women who are left out of the formal system; and (vi) the Government's decision to finance the delivery of educational services through nongovernment organizations (NGOs), creating an essential foundation for making higher quality programs national in scale.

5. The Project's design was sound and consistent with its objectives. Institutional development being one of the key objectives of the Project, the design was in line with the Government's decision to develop a permanent organization to ensure appropriate and adequate focus on the development of an overall vision and direction for the NFE subsector. Institutionalizing the INFEP, which was developed in 1992, turned it into a full-fledged and independent directorate that successfully took responsibility for implementing the Government's policy and strategies for NFE. The design drew on important lessons learned from past education projects, such as the Community School Project (1981–1988) and the General Education Project (1990–1996), and the experiences of major NGOs in NFE. The Project's design considered some key lessons that stressed the need for (i) supporting a permanent NFE institutional structure; (ii) strengthening capacity in program management, monitoring, program upgrading, and research; and (iii) developing NFE closely with NGOs and communities. The Project's design for staff development was consistent with the needs of the DNFE, given the existing manpower of INFEP, NFE program operation, and the quality of NFE.

6. The Project's design for expansion and improvement of NFE through its delivery, quality improvement, and alternate NFE models and social mobilization was sound and realistic. The expansion of NFE to cover an estimated 2.5 million learners was possible due to Government, DNFE, and NGO cooperation, especially when sharing the responsibility of supporting NFE delivery. While DNFE took the responsibility for program management and monitoring, upgrading programs, and research, NGOs took the services to the learners and delivered NFE programs. The collaborative arrangement supported the Government's declared policy of developing NFE closely with NGOs and communities. The Project's design for targeting young adults between 15 and 24 years of age, covering at least 50% of women learners, is a necessary reflection of the priority shift in NFE target age groups, from only out-of-school children to young adults (15–24 years of age). The shift in target age was justified by the very

² Total expenditure in NFE as percentage of total expenditure in education rapidly increased during the nineties (Appendix 7).

low rate of adult literacy and rendered the Project's goal realistic, as the impact was greatest with this age group, compared with relatively older and younger groups.

B. Project Outputs

7. Overall, the outputs of the Project's components have been satisfactory. The outputs of all subcomponents—except a few, such as research and studies, alternate NFE models, and social mobilization—were satisfactory, compared with appraisal estimates. Assessment of the outputs of the components is briefly summarized in the following paragraphs.

1. Institutional Development

a. Establishment of a National Council for Primary and Mass Education

8. The National Council for Primary and Mass Education (NCPME) was established in November 1996 with as many as 38 members from the Government and the private sector, including NGOs. The council met only once during the Project's life, although envisaged to meet at least annually to formulate policy with broad representation from a range of stakeholders. The high profile of the council (with provisions for the Prime Minister to chair) was, though consistent with the nature of policy issues envisaged, found unrealistic, given the Prime Minister's and other high officials' preoccupation with meeting the requirements of the Project. Nevertheless, the benefits of the council may be availed of in formulating policy for primary and mass education, even after the life of the Project, as the council perpetually exists.

b. Establishment of a Directorate of Nonformal Education

9. The former INFEP was successfully institutionalized into the well-established DNFE in 1995, as a permanent agency for NFE. The DNFE is headed by a director general and staffed by 144 personnel, including 56 professionals in the head office and 256 staff in the 64 districts (one district coordinator supported by three support staff in each district). Government has decided, in principle, to transfer the DNFE to the revenue budget.

10. As envisaged under the Project, the DNFE has four divisions: (i) planning, programming, monitoring, and evaluation; (ii) operations; (iii) technical support services; and (iv) finance and administration. The Project, with technical assistance under a Swiss Agency for Development and Cooperation (SDC) grant, provided support to build DNFE's capacity to plan, manage, and monitor NFE programs. As a result, the DNFE implemented the Project and succeeded in reaching 2.9 million illiterate adults, compared with a target of 2.5 million. In addition, the DNFE successfully developed and implemented three other NFE projects, with a total outlay of \$226.0 million during 1996–2001, targeting about 31 million learners. However, this partly overstretched the limited capacity of the newly established directorate, affecting the quality of the program. In addition, the DNFE hired, through the Project, the services of 42 contract staff (20 core trainers, 20 monitoring associates, 1 financial specialist, and 1 management development trainer). The Project Implementation Management Unit (PIMU) implemented the Project using 12 staff, headed by the project director.

11. Project implementation was initially hindered due to delays in recruitment of project staff that affected project management and monitoring, especially during early stages. From the outset, and without exception, DNFE suffered from high turnover among project staff, including professionals, particularly those sent from elsewhere. The high rate of turnover affected the retention of trained professionals, requiring constant training of new staff. Yet, the Project's

implementation could also have been managed better if the DNFE relied heavily on fewer knowledgeable and competent core staff and consultants. Staff for the financial management of the DNFE and the Project were recruited and provided training to develop their capabilities, especially for operating the accounting software package. As a result, the financial management capability of the DNFE was enhanced.

12. The construction of physical facilities, like the DNFE headquarters building, was completed as designed in December 2000, although there were delays, due to litigation for land acquisition. The quality of civil works was satisfactory. Office equipment and vehicles were procured to facilitate speedy project implementation that was also delayed, due to sluggish procedures, lack of necessary knowledge and experience, and frequent changes of key staff.

13. An MIS was established as part of the Project Performance Management System (PPMS) that was operational, with appropriately trained staff and necessary hardware and database modules, and used for project implementation and monitoring.

c. Staff Development

14. The Project provided for staff development, through hands-on training, to strengthen its capacity in NFE approaches that included training, curriculum, and materials development; program development; financial system development and management; and computer literacy and skills development. Staff development efforts met major physical targets, enhancing the capability of the DNFE. In total, 120 master trainers, 20 core trainers, 32 district coordinators, and 55 DNFE staff received training related to NFE approaches that was useful in program delivery. Senior staff of the Ministry of Primary and Mass Education (MOPME)³ and the DNFE received foreign fellowship/training related to NFE for (i) program development (9 person-months), (ii) curriculum development (3 person-months), (iii) teaching methodology (10 person-months), (iv) research methodology (10 person-months), (v) NFE and literacy (10 person-months), and (vi) education materials development. In addition, senior staff of the MOPME and DNFE participated in six foreign study tours (14.5 person-months) focusing on NFE-related areas, such as (i) policy and planning, (ii) benefit monitoring evaluation, (iii) postliteracy and continuing education, and (iv) NFE delivery and total literacy. Besides, in-country training on financial management, monitoring and supervision, computer skills, networking and database development, and MIS was organized for the staff. Further, about 245 representatives of participating NGOs were oriented through workshops on management development, financial management, supervision and monitoring, and project management. The training and fellowships built the institutional capability of the DNFE for NFE approaches, curriculum and materials development, NFE delivery, financial management, and monitoring and evaluation that helped to improve the quality of NFE.

15. Notwithstanding the contributions of the training input, the benefits could have been more substantial if the training was managed under a planned human resources development program, on a sustainable basis, for those who might remain in the NFE subsector and contribute for long-lasting impact. The high turnover reduced the impact to some extent. Partly because of high turnover, the absence of a planned human resources development program and the rapid expansion of NFE—through the implementation of several parallel programs before the complete institutional capability of the DNFE was realized—resulted in inadequate coordination and knowledge transfer. Nevertheless, the impact of staff development for the MOPME, DNFE, and NGOs is significant.

³ Until January 2003, the ministry was called the Primary and Mass Education Division.

2. Expansion and Improvement of Nonformal Education

a. Delivery of Nonformal Education

16. The Project delivered NFE to 2.9 million learners, compared with the target of about 2.5 million (Appendix 2), through three different approaches: (i) the Center Based Approach (CBA), used to educate 2.46 million; TLM, used to educate 0.18 million; and the Primer Distribution Approach (PDA), used to educate 0.25 million. The Project was designed to cover 2.5 million learners, of which at least 50% would be women. The Project exceeded the target for both NFE delivery and participation of the women. Actual achievement of NFE delivery was 2.9 million (116%), compared with a target of 2.5 million, and the participation of women was 57%, compared with the appraisal target of 50%. In all, 385 participating NGOs were contracted under the Project to assist in the delivery of NFE (95, 138, 196, 363, and 264 NGOs participated, respectively, during years 1 through 5). The Project trained 5,479 supervisors, 82,185 teachers, and 147 field workers (from participating NGOs) in NFE delivery, covering management, finance, and monitoring (Appendix 2).

b. Quality Improvement

17. Several measures were taken under the Project to improve and ensure the quality of NFE, through identifying core competencies and learning outcomes, increasing the duration of the training of teachers and supervisors, upgrading curriculum, conducting studies to support program improvement, and monitoring and evaluating using MIS. Core competencies for learner learning outcome covering four broad skill areas (reading, writing, arithmetic, and life skills) were identified and validated in 2000, through a national workshop. In addition, the course achievement test (developed in 1997) was revised three times during the Project, to establish a standard achievement test.

18. The duration of training for teachers and supervisors and the midterm review were considered inadequate by NGOs and were revised from 15 days each to 20 and 23 days, respectively. The teachers and supervisors are temporary staff of the respective NGOs and are recruited for particular centers. Under the Project, a major upgrading of existing curriculum, through a series of workshops, was carried out, and the number of primers was reduced from three to two. Further, suitable teacher guides and teacher/learner aids were developed and used in improving NFE delivery. Postliteracy materials were dropped after considering delays and in favor of the implementation of pilot postliteracy and continuing education programs under follow-up NFE projects⁴. In an effort to promote quality improvement, several studies were carried out that evaluated learners' achievement, teaching methods (to maximize learner achievement), socioeconomic impacts of the NFE program, and teaching/reading using the phonographic method. As the studies were carried out during the later part of the Project, the study findings could not be used during the Project, but they can be used in future similar programs. Satisfactory learner performance,⁵ indicated by regular attendance (90%), a low dropout rate (2.45%), and a high success rate (74%), shows that the quality of project outputs is good.

⁴ Postliteracy and Continuing Education Project, ADB [Loan.1881-BAN(SF)]; and Postliteracy and Continuing Education for Human Development Project, IDA (Credit No.3467-BD).

⁵ See Appendix 8.

c. Alternative Nonformal Education Models

19. The TLM was an alternative NFE model introduced under the Project for piloting in two districts (Faridpur and Nilphamari) during the first year of implementation. The TLM was introduced as envisaged, but it could not be evaluated due to a delay in approving the terms of reference by the Government. Under the Project, it was also attempted to pilot two other alternative models and approaches for NFE delivery, namely Each One Teach One and Profession-based Program, through two contracted NGOs, but the approaches could not be validated and used during the Project's life, as these were completed during the tail end of the Project's implementation.

d. Social Mobilization

20. Under the Project, adequate social mobilization was provided for by generating wide publicity using daily newspapers and weekly magazines, a TV serial, posters, calendars, billboards, news features and newsletters, etc. For example, people working on the Project arranged to publish in the national dailies and weekly magazines a number of news features and five newsletters and prepared one 13-episode TV serial that was broadcast nationally. Besides, one media consultant was assigned to developing a 5-year work plan of social mobilization activities in October 2000. The impact of various social mobilization activities of the Project is manifested from the rousing demand for NFE. In addition, as part of the Government's emphasis on NFE, various social mobilization efforts are still undertaken through various programs.

C. Project Costs

21. At appraisal, the total cost of the Project was estimated at the equivalent of \$47.2 million and actual expenditure was equivalent to \$34.4 million (73%). The estimated and actual disbursement of ADB funds were \$26.1 million and \$18.9 million (72%), respectively, while estimated and actual utilization of International Development Association (IDA) funds were the equivalent of \$10.3 million and \$7.8 million (76%), respectively. The Government contribution was estimated at the equivalent of \$10.0 million and actual expenditure was \$7.7 million (77%). Out of the Project's cost of \$34.4 million, \$17.7 million (51%) was financed to meet local currency costs. The cost underrun was mainly due to the depreciation of the taka against the US dollar (more than 95% of actual costs were in local currency), and several activities envisaged at appraisal (evaluation of TLM pilot-testing of alternative NFE models and foreign training) could not be fully implemented. However, such reduction of actual project costs did not affect major project outputs. The Government made available the necessary counterpart funds, as needed.

D. Disbursements

22. The actual loan disbursement was \$18.9 million, or about 80.8% of the net loan of \$23.4 million, as of the loan closing date (Appendix 3). The surplus loan funds were due mainly to the devaluation of the taka against the US dollar. The net surplus amount of \$4.5 million was cancelled during loan closing. The standard disbursement procedures of ADB followed during the Project's implementation did not create any problems. The imprest ceiling was \$2.5 million, and the total disbursement was \$17.15 million, through the imprest account (IA), with an average turnover ratio of 1.62. The IA was fully liquidated before the loan closing date. The imprest fund ensured the uninterrupted flow of funds for implementing the Project's activities, as also manifested by the satisfactory turnover ratio.

E. Project Schedule

23. The Project's loan was approved on 29 September 1995, and the Loan Agreement was signed on 28 November 1995 and became effective on 25 May 1996. It was scheduled for closing on 30 June 2001. Actually, the Project's implementation started on July 1996 and closed on 30 June 2001, as originally envisaged at appraisal. Nevertheless, the implementation pace was slow during the initial stage, but it sped up as time passed. All activities (except research studies, evaluation of the TLM approach, and pilot testing of alternative NFE models that were partially completed) were fully completed, with a minor adjustment of the implementation schedule. Though there was some delay in the procurement of goods and services, this did not affect Project implementation or the quality of NFE delivery. Construction of the DNFE headquarters building was delayed by 1 year, due to litigation and land acquisition making the implementation of other activities difficult. A comparison of the original and actual implementation schedules is in Appendix 4.

F. Implementation Arrangements

24. As envisaged at appraisal, the DNFE was the Executing Agency for the Project. The PIMU, headed by a full-time project director, was established and implemented the Project. The PIMU was responsible for the day-to-day operation of the Project. The Project Coordination Committee (PCC) was constituted with members from the MOPME, DNFE, Ministry of Finance, and representatives of a national organization of NGOs active in NFE. The committee was headed by the secretary of the MOPME, who oversaw coordination of the Project's activities. The PCC met as frequently as needed, generally on a quarterly basis. The relevant DNFE units, strengthened under the Project, provided necessary implementation support. The Local Government Engineering Department (LGED) satisfactorily designed and constructed the DNFE headquarters building, as envisaged at appraisal.

25. The key element of the implementation arrangement was the role of the participating NGOs in implementing the Project, especially the expansion of NFE through their expanded outreach capacity, NFE delivery experience, and social mobilization efforts. Given the limited field network and manpower of the DNFE, the implementation arrangement involving NGOs in the Project's implementation was appropriate. Without the participation of NGOs, activities like conducting a baseline survey of the program area, recruiting teachers and supervisors for the duration of literacy programs and arranging for their training, selecting learners and providing additional training materials, and monitoring and evaluating program activities locally might not have been feasible and cost-effective. The Project implementation arrangement involving NGOs is a reflection of the appreciation of the long experience of NGOs in NFE. Besides, the participation of NGOs enhanced the opportunities for newly literate people to participate in income generating activities, since the NGOs have other ongoing programs supported by skills training and microcredit.

G. Conditions and Covenants

26. All conditions and covenants were generally met (Appendix 5). However, there were delays in the constitution of the coordination committee, the appointment of key DNFE staff, land acquisition, the transfer of the DNFE to revenue budget, and the frequent transfer of staff. Except for the frequent transfer of DNFE staff, in general, and project staff, in particular, the delays in meeting the conditions and covenants did not affect the Project's implementation.

H. Related Technical Assistance

27. A technical assistance (TA) undertaking (TA 2534-BAN: Institutional Strengthening of the Directorate of Nonformal Education) worth \$3.8 million was made available under a grant from the SDC for institutional capacity building of the DNFE. The main objective of the TA was to develop the overall capacity of the DNFE, particularly in the areas of planning and monitoring evaluation; professional skills development of the staff of the DNFE and participating NGOs; and improving training programs, including supporting the quality aspects of NFE. The TA provided 70 person-months and 167.5 person-months of international and domestic consulting services, respectively, in the areas of planning and monitoring evaluation, NFE methodology and teacher training, MIS, computer system analysis, statistical analysis, and benefit monitoring and evaluation.

28. The TA was implemented satisfactorily, without major difficulties, and made effective contributions toward institutional development for the capability building of the DNFE, which enabled the directorate to plan and implement NFE programs. The formulation of the TA was relevant to its objectives, and the objectives listed in the terms of reference were achievable. The DNFE provided necessary administration and logistic support, and the donors, especially ADB, closely monitored the progress of the TA implementation. The output of the TA is satisfactory, as it adequately strengthened the institutional capability of the newly created DNFE. Performance of the TA is summarized (Appendix 6) in the TA completion report.

I. Consultant Recruitment and Procurement

29. Almost all goods and services envisaged at appraisal were procured without major problems following the *ADB Guidelines on Procurement of Goods and Services*. However, there were delays in the procurement of several domestic services for new social mobilization activities designed to generate NFE demand; promote special research projects, particularly on alternative NFE models; encourage the evaluation of the TLM; etc. Further, protracted delays occurred, especially in procuring vehicles, computers, and office equipment. The delays were due to inadequate procurement experience and skills of DNFE staff associated with procurement, frequent transfer of staff once trained in procurement, and a lack of familiarity with ADB's procurement system. The SDC-financed TA was administered by ADB, and there was no problem relating to the procurement of consulting services. Notwithstanding the delays and difficulties caused by procurement problems, the quality of goods and services and the Project's output was satisfactory.

J. Performance of Consultants, Contractors, and Suppliers

30. The performance of the consultants was satisfactory. However, the consultant inputs could have been maximized if competent counterpart staff were assigned from the beginning, trained staff were not transferred as frequently, the TA team was located at the DNFE, and the consultant was physically linked to Technical Support Services Unit (TSSU) activities. The performance of contractors and suppliers was also generally satisfactory.

K. Performance of the Borrower and Executing Agency

1. The Borrower

31. The Borrower's performance was satisfactory, as demonstrated during the Project's preparation and implementation. During preparation, the Borrower attached high priority and

demonstrated strong commitment to developing an NFE program through five task forces, which developed proposals for key project preparation issues, such as coverage, management, delivery methods, coordination, and monitoring. The Borrower's commitment to NFE could be gauged from the constitution of the NCPME, headed by the Prime Minister, although it could not meet as frequently as desired. However, the PCC, chaired by the secretary of the MOPME, and senior officials of concerned ministries and a national NGO group met as frequently as needed and provided necessary support and guidance. Besides, the Borrower conducted consultations with concerned government agencies and NGOs during the Project's preparation. Furthermore, the Borrower was friendly to NGOs and involved them in NFE delivery.

32. The Borrower's implementation performance was also satisfactory. As opposed to the general trend in Bangladesh—incumbent regimes changing earlier development strategies—the NFE strategies in vogue were continued, which avoided a serious implementation setback. Moreover, the Borrower provided the Executing Agency (the DNFE) with the assistance and guidance needed to implement the Project. More importantly, the Borrower demonstrated appreciable commitment, ownership, and satisfactory performance during the Project's preparation and implementation. The Government's decision to transfer the DNFE to revenue budget is a reflection of the Borrower's strong commitment to sustaining the Project's outcomes.

2. Executing Agency

33. The DNFE, as a newly established directorate, performed satisfactorily as the Executing Agency. Although its performance was hindered, due to frequent transfer of key staff and taking up several parallel NFE projects, the DNFE managed the Project's implementation well, especially during the second half of the project period, after gaining capacity with trained manpower and support from TA. The DNFE made significant progress in planning and delivering NFE, establishing a good working relationship with a large number of participating NGOs, and project fund management. The DNFE was successful in coordinating with NGOs and donors and field level government and private stakeholders. Moreover, it successfully established an MIS and used this to produce regular reports.

L. Performance of ADB

34. The performance of ADB was satisfactory. In line with its strong commitment to EFA by 2000 and its supportive country development strategy for education, ADB took special interest in establishing the DNFE as a permanent agency exclusively promoting NFE to remove illiteracy as an approach to poverty reduction. ADB carried out extensive consultations with interested donors, the government agencies concerned, and civil society representatives and utilized previous NFE experiences in Bangladesh and other similar locations. As the lead agency, ADB (from its headquarters and its Bangladesh Resident Mission [BRM] in Dhaka) successfully coordinated with other donors, the Borrower, and the Executing Agency throughout the Project's preparation and implementation. ADB attached high priority to the effective institutional strengthening of the DNFE and good quality NFE delivery and fielded as many as 12 review missions. ADB promptly responded to the requests of the Borrower and Executing Agency relating to implementation problems and reimbursement claims.

III. EVALUATION OF PERFORMANCE

A. Relevance

35. The design of the Project was highly relevant to the objectives of the Government Perspective Plan (1995-2000) for poverty reduction; human development; and women's participation in development and strategies for expansion and improvement of basic education, continued compulsory primary education, and support for a gender-sensitive educational system. The Project's logical framework was also consistent with one of the four major objectives of the Government National Plan of Action for EFA by the year 2000 (raising adult literacy rate from 35% to 62%) and with establishing the DNFE and developing NFE-delivery partnerships between the Government and NGOs. The Project's design for establishing the DNFE, given the need for an exclusive agency to raise the adult literacy rate of the existing large illiterate population, was highly relevant. The Project's design for involving NGOs in the delivery of NFE was very relevant, as it employed NGOs' outreach capacities to deliver NFE to the large disadvantaged and illiterate population through social mobilization, operating large numbers of learning centers, monitoring and evaluation, and providing opportunities for the newly literate to learn skills and gain employment. Neither the Project's design nor the relevance of the Project changed during implementation.

B. Efficacy in Achievement of Purpose

36. The Project well achieved its purpose of establishing a separate directorate to exclusively and adequately address the need for raising the adult literacy rate, which included teaching postliteracy skills and generating income to meet the strategic objectives of poverty reduction and the improvement of the status of women. In addition to establishing the DNFE, the Project strengthened its institutional capacity, especially for planning and monitoring, evaluation, and working with NGOs. As a result, the Government could implement several NFE programs simultaneously through the DNFE, although the DNFE still needs to enhance its capacity further to meet the Government's goal of achieving EFA. Further, the Project has effectively enabled the target beneficiaries to take advantage of income generation opportunities, social services, and self-awareness and development activities. The Project was, therefore, efficacious in achieving its purposes.

C. Efficiency in Achievement of Outputs and Purpose

37. The Project established the DNFE in 1995, after converting the former INFEF, and strengthened its institutional capabilities, especially in the areas of planning and monitoring and evaluation, through training key staff in relevant fields, both at home and abroad. As a result, the DNFE independently planned and implemented several NFE programs simultaneously, while the Project was being carried out, which manifests its enhanced institutional capability to support the long-term NFE development objectives of the Government. The DNFE exceeded the target of reaching 2.5 million illiterate adults, through partnerships with 385 participating NGOs, and significantly contributed to the Government's efforts to raise the adult literacy rate from 35% (1991) to 62% (2000). The Project Completion Report (PCR) Mission survey⁶ found that 74% of newly literate individuals achieved and sustained reasonably good literacy skills, which enable them to read and write, while about 49.9% know simple arithmetic. Moreover, newly literate men and women have, in general, gained greater social awareness through

⁶ See Appendix 8.

developing education, health, and life skills related to income generation for better living. The Project, therefore, was efficient in achieving its outputs and purpose.

D. Preliminary Assessment of Sustainability

38. Appreciating the continued need for NFE, the Government has maintained the growth of NFE-related total expenditure, from less than 1% in FY1990 and FY1991 to 7% in FY2000 and FY2001 (Appendix 7), as a percentage of total education expenditure. The rapid and continued increase in NFE-related allocation demonstrates the Government's continued commitment to NFE, assuring the sustainability of NFE programs. The Government's total budgetary allocation to the DNFE, particularly since 1995, has continued to increase at an average rate of 55% per annum, which assures the sustainability of the directorate. The DNFE has been successful in continuing new NFE programs, including two postliteracy and continuing education (PLCE) projects funded by ADB⁷ and IDA⁸. Therefore, it can be concluded that the Project is most likely sustainable.

E. Environmental, Sociocultural, and Other Impacts

39. The Project had no adverse environmental impact. Rather, the Project's initial impact study (Appendix 8) found that 82% of newly literate individuals gained substantial awareness of environmental sanitation, health, and family planning, manifesting an indirect environmental impact, as demonstrated by the study's finding of a declining incidence of diseases among family members, especially children. The study also found that more than 74% of newly literate males and females can read, write, and do simple accounting, which has an indirect impact on poverty reduction, as 90% of newly literate individuals are poor. The Project has provided, along with literary skills, enabling competencies and improved knowledge of individual livelihood activities. Though fewer in number, some 8% of newly literate males and females reported that they have been encouraged to work outside, which will increase their income and improve their living conditions. It is mandatory, in most cases, to sign documents when receiving microcredit, and 91% of newly literate individuals have attained competencies that enable them to sign these documents and others. Thus, the Project has helped newly literate males and females access microcredit, which proved to be a key to the socioeconomic development of the poor. The study indicated a slight change in the livelihood activities of newly literate individuals, from purely traditional farming and household activities to more rewarding nonfarm livelihood activities. The study found that, due to literacy skills and increased awareness, four out of ten newly literate males and females have undertaken small-scale income generating activities, contributing to an increase in income. The study also found that 48% of newly literate individuals, especially women, teach their preschoolers and show more interest in education than before. Therefore, the institutional and other impacts of the Project are significant.

IV. OVERALL ASSESSMENT AND RECOMMENDATIONS

A. Overall Assessment

40. The Project was implemented as conceived and no major difficulties were encountered. The Project's goal of contributing to the achievement of EFA by 2000 was achieved, as the adult literacy rate increased from 35% (1991) to 62% (2000)⁹. The Project's purpose and objectives,

⁷ ADB's Postliteracy and Continuing Education Project (Loan 1881-BAN[SF]).

⁸ IDA's Postliteracy and Continuing Education for Human Development Project (Credit No.3467-BD).

⁹ DNFE estimates.

to improve and expand NFE programs, were met through establishing the DNFE and ensuring its institutional capability building and delivering NFE to over 2.9 million illiterate adults, exceeding the original target of 2.5 million (Appendix 9). Newly literate individuals attained and maintained core literary competencies. Apart from establishing the DNFE, increasing annual NFE-related allocations, recruiting necessary staff, and providing training especially for NFE delivery, planning and monitoring were satisfactory. The Project developed monitoring and evaluation systems with the help of TA consultants and trained the relevant staff and maintained a good MIS. However, the monitoring system could not be rigorously used, due to a lack of adequate capacity. Several targets for quality improvement, such as the evaluation of the TLM, research activities, and pilot tests of several alternative NFE delivery systems, could not be reached. Despite these limitations, the overall performance of the Project is rated successful, as the Project was highly relevant, efficacious, efficient, and most likely sustainable, and institutional development and other impacts are significant (Appendix 10).

B. Lessons Learned

41. A CBA is, comparatively, a more effective approach to NFE delivery. Moreover, the cluster approach to selecting centers, as adopted by the Project, is appropriate when ensuring total coverage, leaving no vacant spaces, irrespective of areas nearer to and further from *upazila* (subdistrict) headquarters. Provision of high-level committees is generally helpful in providing policy guidelines, but a council headed by the Prime Minister has proved to be unrealistic. Instead, committees that can meet frequently, as and when the Project needs, and that are constituted with high-level and involved officials having the authority to formulate and implement policies are more practical and useful. Cooperation between the Government and NGOs in delivering NFE, especially when using a CBA, is effective and a key to the success of NFE programs. Nonetheless, teachers' and supervisors' salaries are much less than enough to attract good teachers, and the center management fee is inadequate for getting suitable centers and properly managing them.

42. The Project targeted illiterate males and females between the ages of 15 and 24 who are considered to be more actively involved in income generation activities. The PCR study found that only 38.6% of all newly literate individuals are in this age group, indicating that a larger percentage of the illiterate population is in a higher age group. The study also found that 90% of all target learners were poor, indicating a strong correlation between illiteracy and poverty.

43. The delay in activities such as land acquisition; recruitment of key staff, especially project directors and counterpart staff; and initial mobilization of counterpart funds are common in most projects. Therefore, provision for advance actions can partly help reduce implementation delays. Frequent staff transfer, especially of individuals that received specific training under the Project, had some adverse impact on overall project implementation.

44. NGOs play a vital role in identifying target beneficiaries, selecting centers, recruiting and training teachers and supervisors, managing centers, delivering NFE, monitoring and evaluation, and financial management. Without a strong commitment combined with a significant amount of experience and sound financial and project management, it is difficult for any NGO to play its role. Moreover, in order to involve newly literate individuals in postliteracy and income-generating activities, participating NGOs should have a continued presence in the project area, even after completion. The study indicated that NGOs having existing programs in the area could offer postliteracy and continuing education and livelihood support to newly literate males and females. As the role of NGOs is critical in the successful implementation of

NFE programs, for quantity and quality, NGO selection should be transparent, and heightened importance should be attached to NGOs' track records; commitment; and presence in the area with similar programs, preferably microcredit and livelihood activities.

45. Though monitoring and evaluation are fully acknowledged as important inputs for quality NFE delivery, they are difficult to undertake without commitment on the part of the staff involved in pursuing the outputs of these and persistence on the part of management in doing the same.

C. Recommendations

1. Project-Related

46. In future similar programs, a CBA with cluster-based coverage and the involvement of NGOs may be emphasized. Future NFE programs should also provide follow-up postliteracy and continuing education activities that are linked to income-generating livelihood activities. Project-related committees should be composed of only those individuals who are concerned and easily available as frequently as needed. As potential demand from illiterate adults over the age of 24 is predominantly high, future NFE programs should not limit age. Instead, they should target the entire illiterate population, to ensure EFA.

47. The Government should appreciate the negative impact of frequent staff transfers, especially the transfer of people who have received specific training under the Project, and conditions and covenants should include stringent conditions concerning the transfer of key staff, especially those trained under the Project. To avoid eventual delays, future project designs may emphasize the provision of advance actions for land acquisition; the recruitment of key staff, especially project directors and counterpart staff; and the provision of counterpart funds.

48. Project design should have a compelling requirement for regular monitoring and periodic evaluation, with time bound reports based on a standard MIS. Appropriate incentives, including training and benefits, may be provided to concerned staff to sensitize monitoring and evaluation interests.

49. A Project Performance Audit Report may be undertaken in 2005, to assess the long-term impact of the Project.

2. General

50. The Government should take steps to continue the institutional development of the DNFE, under a medium-term human resources development plan, to build capability in the areas of planning and project management, monitoring and evaluation, social mobilization, NGO-government cooperation, financial management, and research and development of NFE approaches and materials. The Government should not overburden the DNFE with too many programs, which would be beyond its capability and carried out at the expense of the quality of NFE. The DNFE should train some core staff so that they understand the procurement systems and disbursement procedures of major donors and government procurement procedures, to avoid procurement delays.

51. The provisions for the salaries of teachers and supervisors and center management fees should be realistic, which will attract interest and seriousness and ensure a commitment to promoting more effective teaching and learning and quality NFE.

PROJECT AREA

Table A1.1: Actual Project Area

	Division	District	Upazila		
1	Rajshahi	1	Thakurgaon	1	Balidangi
		2	Kurigram	2	Rajahat
				3	Ulipur
		3	Rangpur	4	Gangachara
				5	Taragonj
		4	Gaibandha	6	Gaibandha
				7	Sundargonj
		5	Nowabgonj	8	Bholahat
		6	Natore	9	Baroigram
		7	Sirajgonj	10	Shahajadpur
				11	Ullapara
2	Khulna	8	Meherpur	12	Gangni
		9	Magura	13	Magura
		10	Jhenaidah	14	Harinakunda
		11	Satkhira	15	Satkhira
				16	Kalaroa
3	Barisal	12	Patuakhali	17	Galachipa
		13	Barguna	18	Pathorghata
4	Dhaka	14	Manikgonj	19	Manikgonj
				20	Saturia
		15	Rajbari	21	Pangsha
		16	Shariatpur	22	Damuddya
		17	Sherpur	23	Jhenaigati
		18	Jamalpur	24	Bakshigonj
				25	Dewangonj
		19	Netrokona	26	Manda
				27	Purbadhala
		20	Kishoregonj	28	Hossainpur
				29	Karimgonj
				30	Kotiadi
		21	Mymensingh	31	Fulbaria
				32	Iswargonj
		33	Fulpur		
		34	Kalihati		
5	Sylhet	23	Sunamgonj	35	Madhupur
				36	Derai
		24	Habigonj	37	Jagannathgonj
6	Chittagong			38	Bahubol
		25	Brahminbaria	39	Baniachang
				40	Bancharampur
		26	Comilla	41	Nasirnagar
				42	Chandina
		27	Chandpur	43	Muradnagar
				44	Haimchar
				45	Hajigonj
				46	Matlab
		28	Laksmipur	47	Ramgoti
		29	Khagrachari	48	Manikchari
		49	Matiranga		
		30	Bandarbans	50	Lama
		31	Cox's Bazar	51	Rohanchari
				52	Teknaf
				53	Ukhia

Source: Directorate of Nonformal Education.

PROGRESS OF NONFORMAL EDUCATION DELIVERY

Table A2.1: Progress of Nonformal Education Delivery

Phase(s)	Learners			Center(s)			No. of NGOs
	Male	Female	Total	Male	Female	Total	
1. CBA							
Year 1	67,140	115,110	182,250	2238	3837	6,075	95
Year 2	178,080	258,420	436,500	5936	8614	14,550	138
Year 3	191,280	249,720	441,000	6376	8324	14,700	196
Year 4A	160,920	219,330	380,250	5364	7311	12,675	206
Year 4B	149,640	170,760	320,400	4988	5692	10,680	157
Year 5	322,200	382,950	705,150	10740	12765	23,505	264
Subtotal of CBA	1,069,260	1,396,290	2,465,550	35,642	46,543	82,185	1,056
2. TLM	48,936	131,074	180,010	–	–	–	–
Subtotal of CBA & TLM	1,118,196	1,527,364	2,645,560	35,642	46,543	82,185	1,056
(%)	42	58	100	43	57	100	–
3. PDA	–	–	255,337	–	–	–	–
Total	1,118,196	1,527,364	2,900,897	35,642	46,543	82,185	1,056

% = percent, CBA = Center Based Approach, NGOs = nongovernment organizations, No. = number, PDA = Primer Distribution Approach, TLM = Total Literacy Movement.

Source: Directorate of Nonformal Education Management Information System.

Table A2.2: Comparison of Nonformal Education Delivery—Appraisal and Actual

Year(s)	Appraisal	Actual	(%)
Year 1	119,000	182,250	153
Year 2	357,500	436,500	122
Year 3	476,500	441,000	93
Year 4	595,500	700,650	118
Year 5	833,500	1,140,497	137
Total	2,382,000	2,900,897	122

Source: Directorate of Nonformal Education, Management Information System.

Table A2.3: Detailed Progress of NFE Delivery (CBA) - Actual

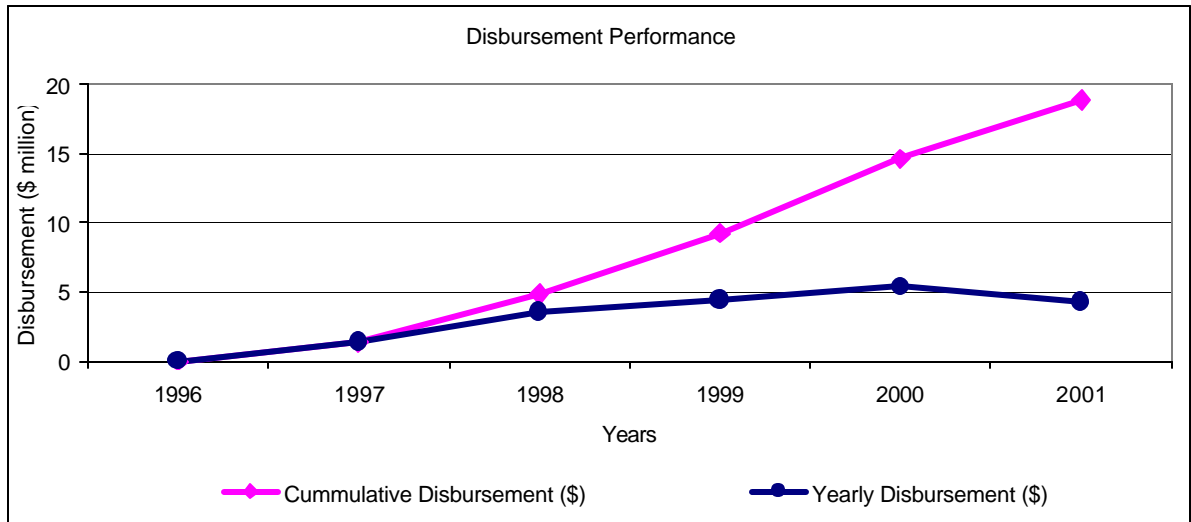
District	Upazila	Learners			Centers			Teachers			Supervisors		
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Barguna	Patharghata	8680	13580	22261	306	479	784	306	479	784	20	32	52
Patuakhali	Galachipa	14056	16605	30661	495	585	1080	495	585	1080	33	39	72
Bandarbars	Lama	5964	5376	11340	210	189	400	210	189	400	14	13	27
	Rawanchuri	5880	5880	11760	195	207	403	195	207	403	13	14	27
Brahmanbaria	Bancharampur	22009	31753	53762	775	1119	1894	775	1119	1894	52	75	126
	Nasirnagar	23773	28309	52082	838	997	1835	838	997	1835	56	66	122
Chandpur	Haimchar	6160	16101	22261	217	567	784	217	567	784	14	38	52
	Hajigonj	7448	14813	22261	262	522	784	262	522	784	17	35	52
	Matlab	8512	10134	18646	300	747	1047	300	747	1047	20	50	70
Comilla	Chandina	31865	44578	76443	1123	1571	2693	1123	1571	2693	75	105	180
	Muradnagar	37129	53174	90303	1308	1874	3182	1308	1874	3182	87	125	212
Cox's Bazar	Teknaf	25397	30885	56282	895	1088	1983	895	1088	1983	60	73	132
	Ukhia	17865	19937	37801	629	702	1332	629	702	1332	42	47	89
Khagrachuri	Manikchuri	7364	8176	15541	259	288	548	259	288	548	17	19	37
	Matiranga	6104	6916	13020	215	244	459	215	244	459	14	16	31
Laksmipur	Ramgati	19321	26461	45782	681	932	1613	681	932	1613	45	62	108
Jamalpur	Bakshigonj	23605	24277	47882	832	855	1687	832	855	1687	55	57	112
	Dewangonj	26489	63814	90303	933	961	1894	933	961	1894	62	64	126
Kishoregonj	Hossainpur	7868	13972	21841	277	492	770	277	492	770	18	33	51
	Karimgonj	12768	21673	34441	450	764	1214	450	764	1214	30	51	81
	Katiadi	12628	18593	31221	445	655	1100	445	655	1100	30	44	73
Manikgonj	Manikgonj	26209	34693	60902	923	1222	2146	923	1222	2146	62	81	143
	Saturia	17277	21785	39061	609	768	1376	609	768	1376	41	51	92
Mymensingh	Fulbaria	7028	11872	18901	248	418	666	248	418	666	17	28	44
	Iswargonj	31669	42562	74231	1116	1500	2615	1116	1500	2615	74	100	174
	Phulpur	62386	69918	132305	2198	2464	4662	2198	2464	4662	147	164	311
Netrokona	Madan	14869	19573	34441	524	690	1214	524	690	1214	35	46	81
	Purbadhala	22849	30493	53342	805	1074	1879	805	1074	1879	54	72	125
Rajbari	Pangsa	21981	97835	119816	774	1760	2535	774	1760	2535	52	117	169
Shariatpur	Damuddya	14113	17809	31921	497	627	1125	497	627	1125	33	42	75
Sherpur	Jhenaigati	14981	26965	41945	796	950	1746	796	950	1746	53	63	116
Tangail	Kalihati	35197	51746	86943	1240	1823	3063	1240	1823	3063	83	122	204
	Madhupur	35449	49814	85263	1249	1755	3004	1249	1755	3004	83	117	200
Jhenaidah	Harinakundu	21141	25481	46622	745	898	1643	745	898	1643	50	60	110
Magura	Magura Sadar	1904	2716	4620	67	96	163	67	96	163	4	6	11
Meherpur	Gangni	19657	23605	43262	693	832	1524	693	832	1524	46	55	102
Satkhira	Kalaroa	19657	25285	44942	693	891	1583	693	891	1583	46	59	106
	Satkhira Sadar	93085	33153	126238	948	1168	2116	948	1168	2116	63	78	141
Gaibandha	Gaibandha Sadar	11228	15233	26461	396	537	932	396	537	932	26	36	62
	Sundargonj	13160	19601	32761	464	691	1154	464	691	1154	31	46	77
Kurigram	Rajarhat	15345	17417	32761	541	614	1154	541	614	1154	36	41	77
	Ulipur	37801	40741	78543	1332	1436	2767	1332	1436	2767	89	96	184
Natore	Barigram	25509	29933	55442	899	1055	1953	899	1055	1953	60	70	130
Nawabgonj	Bholahat	10192	14169	24361	359	499	858	359	499	858	24	33	57
Rangpur	Gangachara	20497	25285	45782	722	891	1613	722	891	1613	48	59	108
	Taragonj	18257	21645	39901	643	763	1406	643	763	1406	43	51	94
Sirajgonj	Shahajadpur	23101	31081	54182	814	1095	1909	814	1095	1909	54	73	127
	Ullapara	19461	28421	47882	686	984	1669	686	984	1669	46	66	111
Thakurgaon	Baliadangi	14981	16941	31921	528	597	1125	528	597	1125	35	40	75
Habigonj	Bahubal	16325	16857	33181	575	594	1169	575	594	1169	38	40	78
	Baniachong	24389	25173	49562	859	887	1746	859	887	1746	57	59	116
Sunamgonj	Derai	13272	16129	29401	468	558	1026	468	558	1026	31	37	68
	Jaqannathpur	14953	17809	32761	527	627	1154	527	627	1154	35	42	77
31	53	1068807	1396743	2465550	35584	46601	82185	35584	46601	82185	2372	3107	5479

Source: Directorate of Nonformal Education, Management Information System.

LOAN DISBURSEMENT

Year	1996	1997	1998	1999	2000	2001
Yearly Disbursement (\$)	0.00	1,326,368	3,504,564	4,411,870	5,387,870	4,267,772
Cummulative Disbursement (\$)	0.00	1,326,368	4,830,932	9,242,802	14,630,672	18,898,444

Fig. A3.1: Yearly and Cumulative Disbursement (\$)



PROJECT IMPLEMENTATION - APPRAISAL AND ACTUAL

Activity	Pre-project	Implementation Schedule																			
	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5															
	Jul 95-Jun 96	Jul 96-Jun 97	Jul 97-Jun 98	Jul 98-Jun 99	Jul 99-Jun 00	Jul 00-Jun 01															
Establishment of DNFE																					
Formal establishment																					
Transfer to revenue budget																					
Physical infrastructure																					
Land purchase and development																					
Civil works																					
Machinery & equipment																					
Transport/vehicle																					
Furniture																					
Human resources																					
Staff recruitment																					
Recruitment of counterpart staff																					
Recruitment of contract staff																					
Local training																					
Local fellowships																					
Foreign fellowships & study tours																					
Consultants																					
Improvement & expansion of NFE																					
Engagement of NGOs																					
Recruitment & training – supervisors																					
Recruitment & training – teachers																					
Baseline surveys																					
NFE delivery																					
Number of teachers																					
Number of supervisors																					
Research studies																					
NFE evaluation																					

DNFE = Directorate of Nonformal Education, NFE = nonformal education, NGO = nongovernment organization.

Appraisal: —
 Actual: —

STATUS OF COMPLIANCE WITH MAJOR LOAN COVENANTS

Covenant(s)	Reference	Compliance
1. The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound administrative, financial, engineering, environmental, and educational practices.	Loan Agreement Section 4.01 (a)	Complied with
2. The Borrower shall make available to the Directorate of Nonformal Education (DNFE), promptly as needed, the funds, facilities, services, land, and other resources which are required, in addition to the proceeds of the Loan, the International Development Association (IDA) Credit, and the Swiss Grant, for the carrying out of the Project and for the operation and maintenance of the project facilities.	Loan Agreement Section 4.02	Complied with
3. In the carrying out of the Project, the Borrower shall ensure that the DNFE employs competent and qualified consultants and contractors, acceptable to the Borrower and the Asian Development Bank (ADB), to be employed to an extent and upon terms and conditions satisfactory to the Borrower and ADB.	Loan Agreement Section 4.03 (a)	Complied with
4. The Borrower shall cause the Project to be carried out in accordance with plans, design standards, specifications, work schedules, and construction methods acceptable to the Borrower and ADB. The Borrower shall furnish, or cause to be furnished, to ADB, promptly after their preparation, such plans, design standards, specifications, and work schedules, and any material modifications subsequently made therein, in such detail as ADB shall reasonably request.	Loan Agreement Section 4.03 (b)	Complied with
5. The Borrower shall ensure that the activities of the DNFE and the Borrower's other departments and agencies carrying out the Project and operation of the project facilities are conducted and coordinated in accordance with sound administrative policies and procedures.	Loan Agreement Section 4.04	Complied with
6. The Borrower shall make arrangements satisfactory to ADB for insurance of the project facilities to such extent and against such risks and in such amounts as shall be consistent with sound practice.	Loan Agreement Section 4.05(a)	Complied with
7. Without limiting the generality of the foregoing, the Borrower undertakes to insure, or cause to be insured, the goods to be imported for the Project and to be financed out of the proceeds of the Loan against hazards incident to the acquisition, transportation, and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable to replace or repair such goods.	Loan Agreement Section 4.05 (b)	Complied with
8. The Borrower shall maintain, or cause the DNFE and the Borrower's other departments and agencies carrying out the Project to maintain records and accounts adequate to identify the	Loan Agreement Section 4.06	Complied with

Covenant(s)	Reference	Compliance
<p>goods and services and other items of expenditure financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof), and to reflect, in accordance with consistently maintained sound accounting principles, and to the extent relevant to the Project, the operations and financial condition of the DNFE and any other department or agency responsible for the carrying out of the Project and operation of the project facilities, or any part thereof.</p>	(a)	
<p>9. The Borrower shall (i) maintain, or cause the DNFE and the Borrower's other departments and agencies, as well as nongovernment organizations (NGOs) and other organizations carrying out the Project to maintain separate accounts for the Project; (ii) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience, and terms of reference are acceptable to ADB; (iii) furnish to ADB, as soon as available but in any event not later than twelve (12) months after the end of such related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the Loan proceeds and compliance with the covenants of this Loan Agreement as well as on the use of the procedures for the imprest account and statement of expenditures), all in the English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.</p>	<p>Loan Agreement Section 4.06 (b)</p>	<p>Complied with</p>
<p>10. The Borrower shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and financial affairs related to the Project of the Borrower, NGOs, and other organizations from time to time with the auditors of the Borrower, and the NGOs and other organizations participating in the Project, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB, provided that any such discussion shall be conducted only in the presence of an authorized officer of the Borrower unless the Borrower shall otherwise agree.</p>	<p>Loan Agreement Section 4.06 (c)</p>	<p>Complied with</p>
<p>11. The Borrower shall furnish, or cause to be furnished, to ADB all such reports and information as ADB shall reasonably request concerning (i) the Loan, and the expenditure of the proceeds and maintenance of the service thereof; (ii) the goods and services and other items of expenditure financed out of the proceeds of the Loan; (iii) the Project; (iv) to the extent relevant to the Project, the administration, operations, and financial condition of the DNFE and the Borrower's other departments, agencies, NGOs, and other organizations responsible for the carrying out of the Project and operation of the project facilities, or any part thereof; (v) financial and economic conditions in the territory of the Borrower and the international balance-of-payments position of the Borrower; and (vi) any other matters relating to the purposes</p>	<p>Loan Agreement Section 4.07 (a)</p>	<p>Complied with</p>

Covenant(s)	Reference	Compliance
of the Loan.		
12. Without limiting the generality of the foregoing, the Borrower shall furnish, or cause to be furnished, to ADB quarterly reports on the carrying out of the Project and on the operation and management of the project facilities. Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, progress made and problems encountered during the quarter under review, steps taken or proposed to be taken to remedy these problems and proposed program of activities and expected progress during the following quarter.	Loan Agreement Section 4.07 (b)	Complied with
13. Promptly after physical completion of the Project, but in any event not later than three (3) months thereafter or such later date as may be agreed for this purpose between the Borrower and ADB, the Borrower shall prepare and furnish to ADB a report, in such form and in such detail as ADB shall reasonably request, on the execution and initial operation of the Project, including its cost, the performance by the Borrower of its obligations under the Loan Agreement, and the accomplishment of the purposes of the Loan.	Loan Agreement Section 4.07 (c)	Complied with
14. The Borrower shall enable ADB's representatives to inspect the Project, the goods financed out of the proceeds of the Loan, and any relevant records and documents.	Loan Agreement Section 4.08	Complied with
15. The Borrower shall ensure that the project facilities are operated, maintained, and repaired in accordance with sound administrative, financial, engineering, environmental, and maintenance and operational practices.	Loan Agreement Section 4.09	Complied with
16. It is the mutual intention of the Borrower and ADB that no other external debt owed a creditor other than ADB shall have any priority over the Loan by way of a lien on the assets of the Borrower. To that end, the Borrower undertakes (i) that, except as ADB may otherwise agree, if any lien shall be created on any assets of the Borrower as security for any external debt, such lien will ipso facto equally and ratably secure the payment of the principal of, and service charge and any other charge on, the Loan; and (ii) that the Borrower, in creating or permitting the creation of any such lien, will make express provision to that effect.	Loan Agreement Section 4.10 (a)	Complied with
17. Except as ADB may otherwise agree, the Borrower shall establish immediately after the effective date, an imprest account in US dollars at a commercial bank designated by Bangladesh Bank and acceptable to ADB to expedite disbursements of the Loan proceeds. The imprest account shall be established, managed, replenished, and liquidated in accordance with ADB's <i>Guidelines on Imprest Fund and Statement of Expenditure Procedures</i> dated November 1986, as amended from time to time, and detailed arrangements agreed upon between the Borrower and ADB. The initial	Loan Agreement Schedule 3, para. 9(a)	Complied with

Covenant(s)	Reference	Compliance
amount to be deposited into the imprest account shall not exceed \$2,500,000.		
18. The statement of expenditures (SOE) procedure may be used to reimburse all eligible expenditures and to liquidate advances provided into the imprest account, in accordance with ADB's <i>Guidelines on Imprest Fund and Statement of Expenditure Procedures</i> dated November 1986, as amended from time to time, and detailed arrangements agreed upon between the Borrower and ADB. The individual payment that may be reimbursed or liquidated under the SOE procedure shall not exceed \$50,000 for each item of expenditures.	Loan Agreement Schedule 3, para. 9(b)	Complied with
19. Project Executing Agency: The DNFE as the project Executing Agency, shall bear overall responsibility for planning, organizing, managing, supervising, coordinating, and monitoring the Project. The director-general of the DNFE shall be the project coordinator responsible for overall project implementation.	Loan Agreement Schedule 6, para. 1	Complied with
20. Project Coordination Committee: Within 6 months of the effective date, the Borrower shall constitute a Project Coordination Committee (PCC) under the Primary and Mass Education Division (PMED) to be responsible for (i) coordinating project activities among PMED, other departments and agencies of the Borrower, NGOs, and other project-related organizations; (ii) reviewing and approving sector policy adjustments; (iii) monitoring the general progress of the Project, including taking into account recommendations made by supervising missions conducted by representatives of the DNFE, ADB, IDA and SDC; and (iv) reviewing and approving annual project implementation plans. The secretary of the PMED shall chair the PCC, which shall consist of senior staff designated by the PMED, DNFE, the Borrower's Ministry of Planning and Ministry of Finance, a representative of the national organization of NGOs active in Nonformal Education (NFE) and the project director.	Loan Agreement Schedule 6, para. 2	Complied with
21. National Council for Primary and Mass Education: Prior to the effective date, the Borrower shall establish a National Council for Primary and Mass Education, which shall include members representing the Borrower, social and other groups, private providers, NGOs, and other voluntary organizations, and which shall have the following functions: (i) serve as adviser to the Borrower concerning policies for primary education and NFE; and (ii) provide guidance regarding the Borrower's NFE goals and objectives and a strategy for mobilization.	Loan Agreement Schedule 6, para. 3	Complied with
22. DNFE: Within 1 year of the effective date, the Borrower shall appoint an additional 11 DNFE professional staff to work at DNFE headquarters to enhance project implementation and overall institutional capacity for the total NFE program between 1996 and 2000 and to assist in the development of appropriate systems and expertise for the management of the expansion in	Loan Agreement Schedule 6, para. 4	Complied with

Covenant(s)	Reference	Compliance
NFE delivery.		
23. Project implementation: To assist in project implementation, the Borrower shall ensure that each organizational unit within the DNFE, consisting of the Planning, Programming, Monitoring, and Evaluation Unit, the Finance and Administration Unit, the Operations Unit, and the Technical Support Services Unit, is strengthened as agreed with ADB.	Loan Agreement Schedule 6, para. 5	Complied with
24. Project Implementation Management Unit (PIMU): The Borrower shall ensure that the PIMU, established within the DNFE, is fully staffed within 2 months of the effective date and that throughout project implementation the PIMU is headed by a full-time project director with experience and qualifications acceptable to ADB and is assisted by full-time staff with both support and operational functions. Throughout project implementation, the PIMU shall be assisted by the organizational units within the DNFE, in particular the Operations Unit, which shall be responsible for program implementation and field operations at the district and <i>thana</i> levels.	Loan Agreement Schedule 6, para. 6	Complied with, but the PD was changed several times.
25. NFE: the DNFE shall ensure that project NFE courses provide literacy, numeracy, and life skills to classes scheduled at a time convenient to the learners in accommodations provided by each such community. The DNFE, acting through NGOs, shall identify such classes in consultation with representatives of the community where such classes are offered and ensure that such classes consist of no more than 30 learners.	Loan Agreement Schedule 6, para. 7	Complied with
26. Budgetary considerations: Without limiting the generality of the provisions of Section 4.02 of this Loan Agreement, the Borrower shall ensure (i) that within 6 months of the effective date, ADB and IDA are furnished with a copy of a detailed, costed program and plan for NFE and the DNFE for the period from 1996 to 2000; (ii) that incremental recurrent costs of staff honoraria and operation and maintenance costs are met as required, particularly after the Loan closing date; (iii) that a draft annual NFE operations and financing plan; including subprojects to be carried out under the Project, is furnished to ADB for comments by 31 March of each year during project implementation commencing in the Borrower's FY1996/97; and (iv) that the DNFE's operational project costs are promptly transferred to the revenue budget upon completion of project implementation.	Loan Agreement Schedule 6, para. 8	(i) to (iii) Complied with. Regarding (iv) Government has, in principle, agreed to transfer the DNFE's operational cost to revenue budget, only formal notification is awaited.
27. Land acquisition: The Borrower shall ensure that all land, rights in land and water, and other rights and privileges required for the Project, particularly the NFE headquarters building, are made available in a timely manner so as to avoid delays in project implementation.	Loan Agreement Schedule 6, para. 9	Complied with
28. External training: Within 6 months after the effective date, the DNFE shall furnish ADB a plan for external training. Prior to	Loan Agreement	Complied with

Covenant(s)	Reference	Compliance
<p>implementation of ADB-financed external training, the DNFE shall prepare and furnish ADB the proposed program with period of training, institutions or locations proposed for the training, number of staff to be trained, and other information requested by ADB, including costs of the proposed training. The DNFE shall provide ADB with a list of nominated candidates together with qualifications of such candidates at an appropriate time. ADB approval shall be required prior to commencement of any external training. In selecting such candidates, the DNFE shall utilize agreed upon criteria and follow agreed upon procedures. In addition, the Borrower shall furnish ADB information each year during project implementation a report describing local fellowship training programs and modules, criteria for selection of candidates for such local training, a list of candidates for training, budgets, and schedules.</p>	Schedule 6, para. 11	
<p>29. Selection and approval of subprojects, NGOs and NFE services—NGOs: The DNFE shall (i) identify duly registered NGOs active for at least 2 consecutive years in a field relevant to NFE, (ii) encourage participation of NGOs in NFE, and (iii) provide financing for NGOs in implementation of agreed upon subprojects. The DNFE shall ensure that each selected NGO is capable of bearing from its own resources overhead costs, including maintenance costs, office salaries, and wages of management personnel.</p>	Loan Agreement Schedule 6, para. 12	Complied with
<p>30. Selection of subprojects and NGOs: To ensure an appropriate level of quality in NFE programs, learner achievement, and cost-effectiveness, the Borrower shall cause the DNFE to implement the Project using a phased approach in selected districts so as to enable the DNFE and any NGOs participating in the Project to strengthen institutional capacity. The Borrower shall cause the DNFE to select districts from among the six divisions on the basis of literacy rates below 45%, community demand, accessibility, and availability of NGOs that can deliver NFE programs to young adults.</p>	Loan Agreement Schedule 6, para. 13	Complied with
<p>31. The Borrower shall ensure that NGOs and their subprojects for the purposes of Part B (i) of the Project are appraised and selected based upon the criteria agreed upon by the Borrower and ADB.</p>	Loan Agreement Schedule 6, para. 14	Complied with
<p>32. Subvention Committee approvals: To review and approve NGO proposals according to agreed upon selection criteria, the DNFE shall continue to utilize its Subvention Committee, chaired by a senior official of the PMED and consisting of representatives from the PMED, DNFE, Implementation Monitoring and Evaluation Division, Planning Commission, Ministry of Finance, Economic Relations Division, Directorate of Social Welfare, NGO Bureau, as well as local representatives of ADB, IDA, and SDC. In particular, the Borrower shall ensure that the Subvention Committee approves each NGO implementing each such subproject based on the NGOs' capacity to manage effectively all</p>	Loan Agreement Schedule 6, para. 15	Complied with

Covenant(s)	Reference	Compliance
subproject field activities, including carrying out baseline surveys, providing a profile of the target population, maintaining records of student intake, providing delivery services, conducting output evaluations, maintaining financial and accounting records, and continuing with outreach programs.		
33. Contracting NGOs for NFE: Except as ADB otherwise agrees, the DNFE shall continue to use existing mechanisms to contract for NFE delivery through NGOs, including advertisements to invite proposals from NGOs, selecting NGOs according to established criteria, and collecting names of master trainers, supervisors and teachers to receive training. the DNFE shall ensure that all financial assistance provided to NGOs under the Project is based on agreed upon fixed unit costs per student.	Loan Agreement Schedule 6, para. 16	Complied with
34. Approvals of alternative NFE models: To develop alternative NFE models and approaches for meeting special needs and to assist the ongoing upgrading of overall program quality; the DNFE shall cause each NGO participating in the Project to submit costed proposals for review and selection.	Loan Agreement Schedule 6, para. 17 (a)	Complied with
35. Prior to implementing the TLM in any agreed upon district, the DNFE shall furnish ADB for concurrence proposals identifying the number, location, and profile of the target population, established demand, mechanism for delivery, implementation arrangements and itemized cost estimates.	Loan Agreement Schedule 6, para. 17 (b)	Complied with
36. Each quarter during project implementation, the DNFE shall furnish ADB for information a report on the delivery of TLM materials financed with loan proceeds, including the name of the district receiving such TLM materials as well as the distribution and expenditures incurred for such TLM materials.	Loan Agreement Schedule 6, para. 17 (c)	Complied with
37. Specialist Subcontract Services: Before an agreement is entered into for any Specialist Subcontract Services for research projects, monitoring and evaluation, social mobilization, or any activity in an amount greater than the equivalent of \$10,000, the DNFE shall prepare a project brief defining the issues to be investigated or tasks to be undertaken, set broad criteria for work to be undertaken and indicate the amount of project funds to be allocated.	Loan Agreement Schedule 6, para. 18	Complied with
38. Project Performance Management System (PPMS): Within 6 months of the effectiveness date, the Borrower shall ensure that the PIMU, in cooperation with the DNFE, establishes guidelines acceptable to ADB for the operation of a PPMS for the Project.	Loan Agreement Schedule 6, para. 19 (a)	Complied with
39. The PPMS shall include three subsystems: (i) a Nonformal Education Project Performance Management System (NFE-PPMS) to ensure efficient data collection and interpretation; (ii) sample monitoring of NFE performance and institutional and	Loan Agreement Schedule 6, para. 19 (b)	Complied with

Covenant(s)	Reference	Compliance
process monitoring, and (iii) research and evaluation studies concerning the effectiveness, sustainability and impact of NFE delivery models. The DNFE shall interpret the results of the PPMS against baseline surveys conducted in target areas for the relevant subprojects before approving further subprojects.		
40. The DNFE shall establish the NFE-PPMS as an integral part of the overall PMED, PPMS, and MIS systems in order to serve as a resource base for dissemination of information and to coordinate available resources for NFE programs.	Loan Agreement Schedule 6, para. 19 (c)	Partly complied With
41. The DNFE shall evaluate the benefits of the Project after it has been completed in accordance with a schedule and terms of reference to be agreed upon with ADB.	Loan Agreement Schedule 6, para. 19 (d)	Complied with
42. Environmental and social consideration: The Borrower shall take all necessary measures to ensure that the DNFE headquarters building is constructed in an environmentally sound manner and pursuant to mitigation measures identified in the Initial Environmental Examination prepared for such construction.	Loan Agreement Schedule 6, para 20 (a)	Complied with
43. The Borrower shall ensure that under Part B (i) of the Project the DNFE continues to include the health, sanitation, hygiene, and family planning components of the adult NFE program as reflected in the primers.	Loan Agreement Schedule 6, para 20 (b)	Complied with
44. Women in development: The Borrower shall ensure that the DNFE takes all necessary steps to encourage women living in the project area to participate in subproject planning and implementation and to promote to the extent feasible the (i) location of NFE centers within the community of the target population, (ii) hiring of female teachers for female groups, (iii) provision of instruction free to participants, and (iv) design of a gender responsive MIS.	Loan Agreement Schedule 6, para 21 (a)	Complied with
45. The DNFE shall take all necessary measures to ensure that at least 50 percent of the NFE learners are females.	Loan Agreement Schedule 6, para 21 (b)	Complied with
46. Community participation: The Borrower shall cause the DNFE to promote community participation in designing, operating, and maintaining subprojects. Such participation shall include identifying learners, providing shelters for learners, recruiting teachers from the local community, establishing management committees, revising curriculum and materials, as well as developing postliteracy and continuing education materials.	Loan Agreement Schedule 6, para 22	Complied with
47. Midterm review: In the early half of the third year of project implementation, the Borrower, ADB, IDA, SDC, and representatives of other entities invited by the Borrower shall jointly undertake a midterm review of the Project to evaluate	Loan Agreement Schedule 6, para 23	Complied with

Covenant(s)	Reference	Compliance
<p>issues related to scope, design, implementation arrangements, institutional processes, capacity, and other relevant matters in the context of the Borrower's development strategies and ADB's policy framework and strategic social concerns. The Borrower shall ensure that a midterm evaluation report is prepared with the assistance of the Project Specialist Subcontract Service prior to the convening of the midterm review. The Borrower shall ensure that the midterm evaluation report identifies changes needed in project implementation, assesses the potential impact of future project implementation as well as the sustainability of the Project, evaluates project implementation performance against project performance indicators, reviews compliance with project Loan covenants, and identifies problems and constraints. During the midterm review, representatives of the Borrower and ADB shall discuss the midterm evaluation report and take action as necessary to ensure the effective project implementation.</p>		

TECHNICAL ASSISTANCE COMPLETION REPORT

EXECUTIVE AGENCIES: Directorate of Nonformal Education (DNFE)			FUND SOURCE Government of Switzerland	TA AMOUNT	TA AMOUNT
REPORT DATE:	APPROVAL DATE: 12 February 1996	SIGNING DATE: 13 April 1996	CONSULTANT FIELDING DATE: 1 September 1996	CLOSING: ORIGINAL: 31 December 2000 ACTUAL: May 2002	
<p>TA Description</p> <p>On 29 September 1995, ADB approved the Nonformal Education Project [Loan No. 1390-BAN(SF)] to assist the Government in achieving Education for All (EFA) by improving and expanding the nonformal education program in the country. The technical assistance (TA) was approved together with the loan for capacity building of the Directorate of Nonformal Education (DNFE), the Executing Agency for the Project. The TA, amounting to \$3.8 million, was made available under a grant from the Swiss Development Cooperation.</p> <p>TA Objectives and Scope</p> <p>The main objective of the TA was to develop the overall capacity of the DNFE. The TA covered three major areas: (i) setting up planning, monitoring, and evaluation (PM&E) systems at the DNFE capable of handling larger nonformal education (NFE) programs; (ii) upgrading the professional skills of DNFE staff and nongovernment organizations (NGOs); and (iii) improving training programs and support other quality aspects of NFE.</p> <p>TA Evaluation of Inputs</p> <p>The TA implementation commenced in September 1996 and was completed in December 2000, while a final report was submitted in June 2001. The original TA inputs comprised 60 person-months (p-m) of two international consultants and 138 p-m of five domestic consultants. The international consultants comprised a PM&E specialist and a NFE methodology and teacher training development specialist. The domestic consultants comprised (i) financial and administrative systems development specialist, (ii) monitoring and evaluation/MIS specialist, (iii) computer system analyst, (iv) benefit monitoring and evaluation/implementation specialist, and (v) statistical analysis specialist. The services of the team leader, the PM&E specialist, and the domestic consultants were increased by 10 p-m and 40 p-m, respectively, following a request of the Government during the midterm review of the Project. Out of the total provision of 248 p-m of consulting services (70 international and 178 domestic), 237.5 p-m (70 international and 167.5 domestic) were used.</p> <p>Implementation of the TA was somewhat delayed due to some discrepancies between ADB's TA paper and the Government's project proforma. It took a while to resolve these discrepancies by reconciling documents of all concerned (the Asian Development Bank [ADB], the Government, and Switzerland's Government) and revising the Government's project proforma accordingly. Besides, frequent transfer of the project director also adversely affected smooth implementation of the TA.</p> <p>The DNFE had satisfactorily provided necessary administrative and logistic supports, including accommodations to the TA team. Performance of the consultants was found satisfactory, as they complied with the requirements of their terms of reference (TOR). Formulation of the TA was relevant in terms of its objectives and the TOR were well formulated to achieve TA objectives. Progress of TA implementation was reviewed by ADB in conjunction with the review of the loan Project. The review missions had closely followed up the TA implementation progress in order to achieve its objectives.</p>					

TA Evaluation of Outputs

Towards strengthening the DNFE's capacity, the consultants developed: (i) DNFE's strategic framework chart; (ii) systems for planning, organization, management, and administration of NFE program delivery; (iii) NFE management information, and monitoring and evaluation system; and (iv) computerized NFE databases of physical targets and financial budgets. Systems and methods for involving beneficiaries in program design and development, training, quality improvement, and monitoring and evaluation of NFE programs were also established.

The TA team, through various types of training programs, developed staff capacity of the DNFE and partner training was provided to 437 master trainers, 91 core trainers, 105 monitoring associates, 48 finance and administration personnel, 15 computer professionals, and 8 planners and statisticians in the respective fields of NFE. In addition, domestic fellowships were provided to 93 persons to enhance professional skills in (i) financial system development; (ii) project management and supervision; (iii) computer skills; and (iv) network and database management. Total of 25 persons were covered under short overseas study tour on NFE policy and planning, BME system, continuing education and post literacy, and the Total Literacy Movement. Eight staff were given long-term external training on NFE program development, curriculum development, and teaching methodology. However, transfer of some key staff shortly after the training had adversely affected the capacity building process. In order to get the full benefit, the training should have started at the initial stage of the TA and the trainees needed to be retained under the Project at least up to its completion.

All reporting requirements by the consultants were complied with. The reports were of good quality and produced in time. The DNFE expressed its satisfaction over the quality of the TA output.

TA Overall Assessment and Rating

The TA had been generally successful in terms of meeting its objectives of overall capacity building of the DNFE. The DNFE had not only successfully completed the NFE project, but it also managed to expand its NFE delivery programs by undertaking three more new projects. Besides, the DNFE with financial assistance of ADB and IDA, is going to launch two more projects for postliteracy and continuing education of newly literate individuals. Despite some setback due to transfer of some key staff, the DNFE is now capable of running effective and efficient NFE programs, as envisaged under the TA. Overall, the TA is rated successful.

For smooth TA implementation, it is essential to reconcile any discrepancy between ADB and the Government's project documents before commencement of work, to avoid hindrance during project implementation. Moreover, to sustain capacity development, the transfer of staff, particularly of key individuals like the project director, immediately after training must be avoided.

Recommendations and Follow-Up Action

ADB has approved a loan for the Postliteracy and Continuing Education Project (Loan No. 1881-BAN[SF]), which includes a component for further strengthening the DNFE's institutional capacity. In order to maximize and sustain the impact of the interventions under the new project, ADB needs to initiate a dialogue with the Government to ensure retention of trained staff, particularly the project director, until completion of the Project. For this to happen, a comprehensive career development plan should be prepared, and candidates for training should fulfill the conditions required by the plan.

Source: BRM

LONG-TERM SUSTAINABILITY OF THE DIRECTORATE OF NONFORMAL EDUCATION

(Amount in Billion Taka)

		1994– 1995	1995– 1996	1996– 1997	1997– 1998	1998– 1999	1999– 2000	2000– 2001
1	GDP (at current prices)	1,170.261	1,301.600	1,807.000	2,001.800	2,196.972	2,370.856	2,580.679
2	Inflation (%)	5.200	4.100	2.520	6.990	8.910	3.900	5.500
3	GDP (at constant prices, 1994–95)	1,109.407	1,248.234	1,761.464	1,861.874	2,001.222	2,278.393	2,438.742
4	Government's total education expenditure (at current prices)	15.185	35.232	38.589	42.000	47.459	54.074	62.074
5	Government's total education expenditure (at constant prices, 1994-95)	14.395	33.787	37.617	39.064	43.230	51.965	58.660
6	Growth of the Government's total education expenditure (%)		134.71	11.33	3.85	10.67	20.21	12.88
7	Government's total NFE expenditure (at current prices)	0.350	0.324	0.710	1.229	1.878	2.837	4.412
8	Government's total NFE expenditure (at constant prices, 1994–1995)	0.332	0.311	0.692	1.143	1.711	2.726	4.169
9	Growth of the Government's total NFE expenditure (%)		-6.35	122.75	65.16	49.65	59.37	52.93
10	Total NFE expenditure as % of total education expenditure	2.30	0.92	1.84	2.93	3.96	5.25	7.11
11	Total NFE expenditure as % of GDP	0.03	0.02	0.04	0.06	0.09	0.12	0.17
12	Total education expenditure as % of GDP	1.30	2.71	2.14	2.10	2.16	2.28	2.41

Source: Bangladesh Bureau of Statistics, 1998, 1999, and 2000.

PROJECT INITIAL IMPACT—SURVEY FINDINGS

A. Introduction

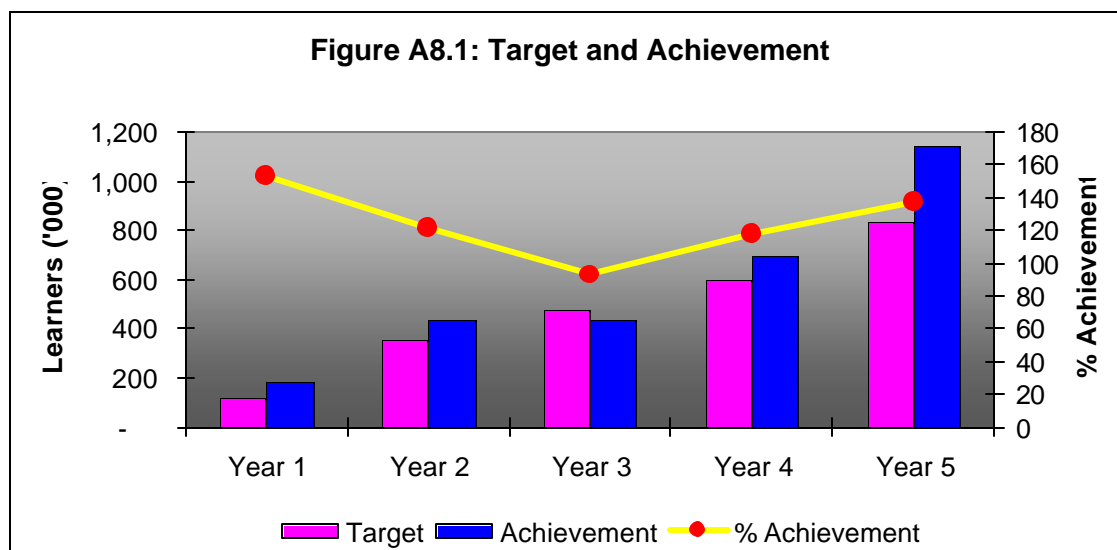
1. As part of the Project Completion Report (PCR) on the Nonformal Education (NFE) Project, a study in March–April 2003 assessed the tentative impact of the Project.

2. The study reviewed secondary materials related to project implementation (including the project MIS and other studies) and carried out a sample survey in 7 selected *upazilas* (subdistricts). The Project covered 53 upazilas of all six divisions and the study had chosen one upazila from each division plus one upazila from the coastal area. The upazilas with the lowest adult literacy rates within the respective divisions were selected. Coincidentally, though, all the seven sampled upazilas were located in the remotest areas that proved to be most disadvantaged, as manifested by poor communication and low rates of literacy. The sampled upazilas are; Teknaf (Cox's Bazar), Ramgoti (Laxsmipur), Derai (Sunamgonj), Jhenaigati (Sherpur), Galachipa (Jhalakati), Gangni (Meherpur), and Bholahat (Chapai Nawabgonj). Under each Upazila 10–12 centers were randomly selected as a primary sampling unit and 100–120 newly literate individuals were randomly selected for interview. The respondent newly literate males and females were interviewed using a structured questionnaire covering their socioeconomic status, program knowledge, awareness, and life skills. Competency-based literacy and numeracy tests were conducted using standard competency test procedures developed and used under the Project. In all, 804 newly literate individuals (373 male and 431 female) were interviewed. The study findings are summarized in the following paragraphs.

B. Findings of the Study

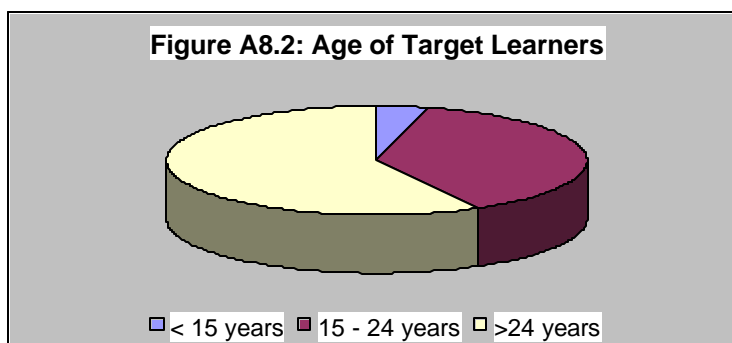
1. Coverage of Nonformal Education

3. The Project estimated to deliver NFE to about 2.5 million illiterate males and females (2.3 million under a Center Based Approach and 0.27 million under the combined Total Literacy and Primer Distribution Approach) in 5 years and the Project reached 2.9 million (122%), indicating a satisfactory response to the NFE program and high implementation performance of the Project (Figure A8.1)



2. Target Age Group

4. The Project targeted individuals between the ages of 15 and 24, as this group is considered having the most potential and expected to be intensively involved in economic activities. The study found that only 38% of illiterate individuals were between the ages of 15 and 25, 4% below 15 years of age, and 58% above 24 years of age (Figure A8.2).



3. Socioeconomic Profile

a. Poverty Ranking

5. The study attempted to assess the economic profile of the learners in terms of condition of housing, access to land resources, access to safe water and sanitation facilities, food security, and family income. The study found that 46% of learner-households had poor housing conditions. In terms of access to safe water and sanitation facilities, while only 12% do not have access to safe water, 64% do not yet have access to sanitation facilities. In terms of access to land resources, 73% have less than 0.50 acres. Household income indicated that 90% of learner-households earn less than a rural poverty line income (taka 4,816 per family per annum¹). Access to land (though widely used as an indicator of poverty) is no longer a perfect indicator of poverty, given the rapid change of land tenure system and migration to urban areas and the decline of dependence on agriculture (especially on-farm activities). The survey indicated that 42% of households are insecure in terms of food (purchase food during 42% of the year). This indicator, however, is not that valid as a scope of income from nonfarm sources, has increased while on-farm income has declined. The study concludes that in general literacy has a strong co-relation with income and family profiles. Therefore, the Project's objective to poverty reduction through targeting illiterate individuals was justified.

Table A8.1: Poverty Ranking

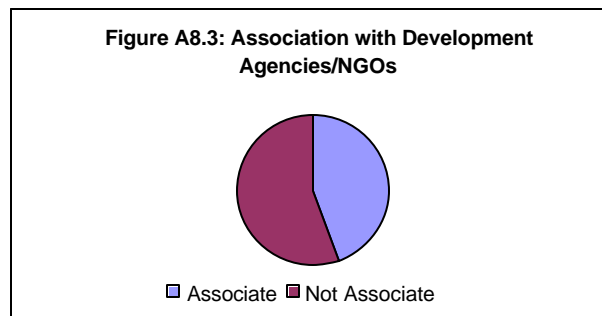
<u>Indicator(s)</u>	<u>Incidence of Poverty (% households)</u>
Poor housing condition	46
Lack access to safe water	12
Lack access to sanitary facilities	64
Lack access to land resources	73
Lack food security	42
Less than rural poverty line income	90

¹ Household Income and Expenditure Survey, 2000 (Bangladesh Bureau of Statistics).

b. Association with Development Agencies/Nongovernment Organizations

6. Although some newly literate individuals are associated with different development agencies/NGOs even before enrollment in the NFE program, the study found that 44% (Figure A8.3) have intensified their involvement with the NGOs relating to various income-generating activities. The study also found that where the participating NGOs had their own microcredit and income-generating programs, in addition to the NFE program, newly literate males and females were more intensely associated with the NGOs.

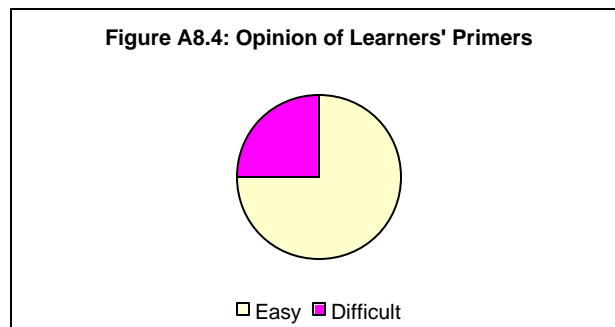
Figure A8.2: Association with Development Agencies/Nongovernment Organizations



4. Opinion of the Learners about the Program

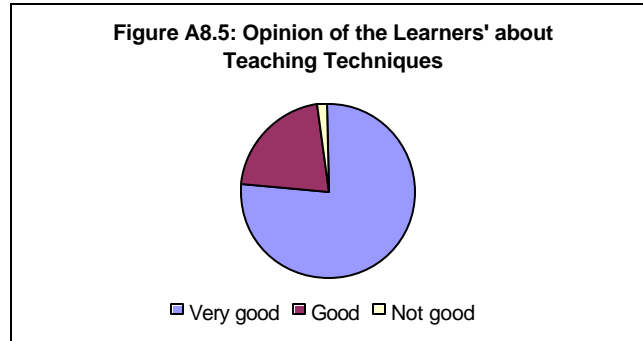
a. The Primers

7. Newly literate individuals liked the primers and appreciated both the contents and outlook as they saw them. About 75% opined that the primers were easy while 25% found them quite difficult (Figure A8.4).



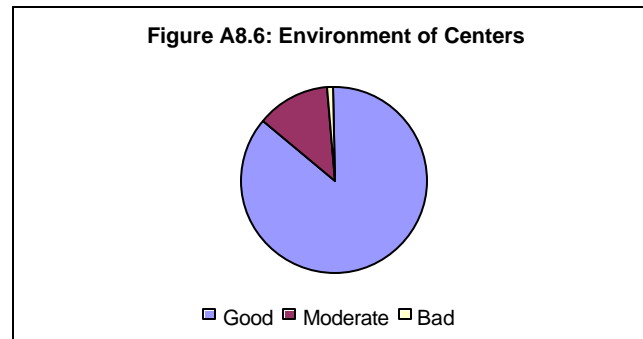
b. Teaching Technique

8. Newly literate males and females highly appreciated the teaching techniques and sincerity and commitment of the teachers. About 76% highly appreciated these techniques while 22% opined that the teaching was somewhat interesting, and 2% did not find the teaching interesting at all (Figure A8.5).



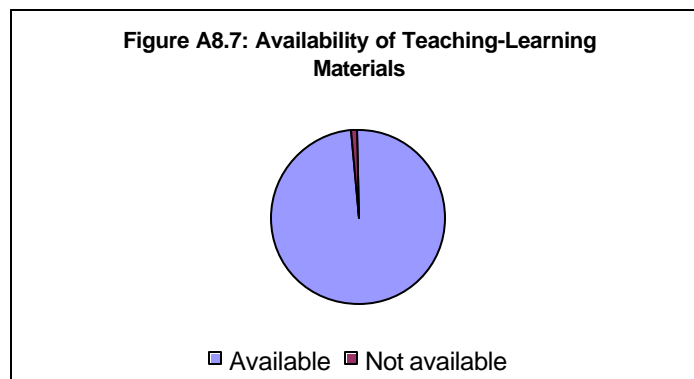
c. Environment

9. The study found that though a very small amount of funding is allocated for renting in and the management of the centers, the overall environment (location, room size, cleanliness, ventilation, neighborhood, etc.) of 86% of all centers was good, while 13% of all centers were somewhat good, and only 1% were bad (Figure A8.6).



d. Availability of Teaching-Learning Materials

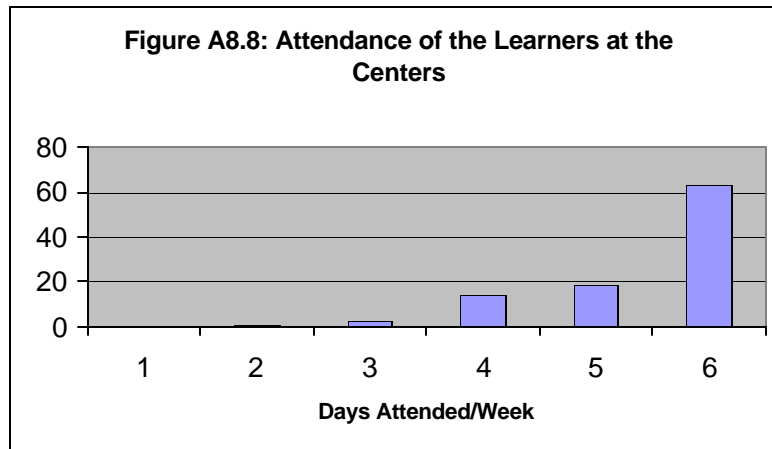
10. In general, the study found that teaching-learning materials were made available through the respective participating NGOs. Primers, black-boards, chalk, dusters, hurricanes, etc. were available in almost all centers (99%), as needed. In some cases, newly literate individuals reported that primers were supplied a few days late and after the course the primers were taken back by the NGOs for re-use.



4. Achievement of the Learners

a. Attendance

11. The study found that newly literate males and females were very particular about attending classes almost every day and on time. Analysis of the frequency of attendance at centers indicates that 82% of learners attended 5–6 days a week, followed by 14% for 4 days, and 4% of learners for 1–3 days (Figure A8.8). Chronic absenteeism was not reported.



b. Baseline Condition

12. The study found that 20% of the learners had some previous schooling and almost all lacked literacy opportunities and were constrained by severe poverty, forcing them to enter into livelihood activities for survival. As a result, illiterate individuals had the potential desire for education, and consequent upon introduction, the NFE program received a rousing response.

c. Competencies

13. The study found that most of the newly literate individuals had achieved appreciable competencies for reading, writing, simple accounting, and life skills, as summarized in Table A8.2.

Table A8.2: Achievement of Literacy Competencies

	<u>Competency(ies)</u>	<u>% (Newly literate)</u>
(i)	Can sign documents	98
(ii)	Can read simple sentences	76
(iii)	Can read numbers	79
(iv)	Can read handwritten letters	25
(v)	Can teach own children at lower grades	20
(vi)	Can do simple accounting	50

14. The study found that newly –literate individuals gained appreciation and awareness of and skills for income generation. In general, the study found that the newly literate mainly engaged themselves in homestead farming, poultry raising, livestock rearing, tailoring, and

handicrafts, in an effort to earn extra income to increase family income. The field visits noted some successful cases of the Project's newly literate males and females. In a rough estimate, about 40% of the newly literate have contributed to increases in family income by up to 10%. Nevertheless, the study observed that about 40% of the newly literate, particularly the adults, have been encouraged to work outside the household.

15. The study took account of the primary and secondary livelihood activities of the respondent newly literate individuals prior to enrollment and current livelihood activities to assess any eventual trend in the shift of livelihood due to the competencies achieved from the Project. The study found that the number of newly literate men and women engaged in business as primary livelihood increased, while the number of women involved in homemaking decreased, and unemployment declined among the newly literate after the course.

OVERALL PROJECT PERFORMANCE

Goal, Objectives and Purpose	
<p>Indicators</p> <p>Contribute towards government target of raising adult literacy rate from 35% to 62% by 2000.</p> <p>DNFE established with adequate institutional capacity.</p> <p>Improved and expanded NFE programs for young adults (15-24 years).</p> <p>Achievement of core competencies by learners at the end of the program.</p>	<p>Performance</p> <p>Literacy rate estimated by the DNFE in 2000 is 62%.</p> <p>DNFE was established and institutional capacity enhanced with project assistance to plan and implement NFE programs.</p> <p>NFE programs delivered to illiterates of various age groups including young adults (15-25 years).</p> <p>Completers have gained satisfactory level of core competencies.</p>

Institutional Development	
<p>Establishment of a National Council for Primary and Mass Education</p> <p>NCPME established and membership and functions of the council defined and approved and frequent meetings held as needed to formulate national policies relating to NFE.</p> <p>Establishment of DNFE</p> <p>Appoint 57 professional HQ staff and 35 contract staff.</p> <p>Government allocation for NFE increased by 5% annually.</p> <p>Strengthen systems for planning, organization, management, and administration of NFE.</p> <p>Establish and operationalize NFE-MIS and PPMS technologies.</p> <p>Creation of physical infrastructure</p> <p>DNFE HQ building constructed, furnished, and equipped.</p>	<p>NCPME was established in 1996, and its membership and functions to formulate guidelines for MOPME and to fix up targets, objectives, and strategies have been approved. NCPME did not function as needed, as it met only once during the project.</p> <p>DNFE established, 57 professional staff appointed. At project closing however only 25 contract staff were working and 11 positions up to the positions of assistant director were vacant.</p> <p>Government allocation to NFE increased on average 54% per annum.</p> <p>Planning, management, and administrative systems established and strengthened.</p> <p>MIS was established and put in operation, and standard MIS software was developed and used. PPMS system was developed but could not be fully operationalized.</p> <p>DNFE HQ building constructed and equipped with 33 photocopiers, 50 computers, and 36 vehicles and adequately furnished. The space being limiting, the NFE Academy and project offices could not be accommodated.</p>

Institutional Development	
<p>Development of staff capability</p> <p>Systems and methods for involvement of beneficiaries in program design and development, training, quality improvement, monitoring, and evaluation of NFE programs established.</p> <p>In-house training capacity for different aspects of NFE strengthened.</p> <p>Skills in NFE approaches and training upgraded for about 60 staff, 32 district coordinators, 20 core trainers, and 20 master trainers.</p> <p>Skills in finance systems and management development and upgraded for 6 HQ staff.</p> <p>Computer skills upgraded for about 60 HQ staff.</p>	<p>Learners were consulted during the revision of curriculum of primers and instructional materials and experiences of NGOs were shared in the efforts to improve NFE programs.</p> <p>In-house capability built for contracting NGOs, NGO data base, and studies.</p> <p>Skills for NFE enhanced through training (55 staff, 32 district coordinators, 120 master trainers, and 5 core trainers) and study tours (15 officials).</p> <p>Financial and management training for 30 HQ staff and 70 NGO staff were provided.</p> <p>Computer skill training provided to 60 HQ staff, 20 core trainers, 32 district coordinators.</p>

Improved and Expanded NFE Delivery	
<p>Improved quality</p> <p>Core competencies for NFE adult program identified and end-of-course achievement test developed.</p> <p>NFE training program, curriculum and textbooks/materials revised and at least 3 types of postliteracy materials developed.</p> <p>3 research studies to support program improvement undertaken.</p> <p>At least 60% teachers demonstrate mastery and confidence in teaching methodology and the materials they teach.</p> <p>More than 50% achievement of core competencies by learners at the end of the course.</p> <p>Piloting alternative NFE models, approaches</p> <p>TLM pilot tested in 2 districts during first year.</p> <p>About 10 alternative NFE models piloted.</p>	<p>Core competencies covering four broad skill areas identified, and course achievement test is in place.</p> <p>Supplementary reading materials for neoliterates identified, procured, and distributed. 23 pilot post-literacy models have been implemented under NFE-2 project.</p> <p>Studies on annual evaluation of learners' achievement; teaching methods; tracer study; and teaching reading undertaken.</p> <p>More than 60% of the teachers were found competent to deliver NFE.</p> <p>PCR survey indicated core competencies by 74% learners.</p> <p>TLM pilot implemented in 2 districts.</p> <p>Two alternative models piloted by 2 NGOs.</p>

Improved and Expanded NFE Delivery	
<p>Support to NGOs for NFE delivery</p> <p>About 100 NGOs financially assisted to carry out NFE delivery.</p> <p>About 50 NGOs received management training.</p> <p>NGO performance monitored and results made available as per work and action plans.</p> <p>Data and targets available on schedule as per work and action plans.</p> <p>About 5,000 supervisors and 79,000 teachers trained by the end of the project.</p> <p>About 2.5 million learners reached with NFE programs by the end of the Project.</p> <p>Social mobilization</p> <p>5-year social mobilization plan developed.</p> <p>Financial assistance proved for social mobilization activities in at least 10 districts.</p> <p>At least 4 different social mobilization materials developed and produced.</p>	<p>385 NGOs were contracted to deliver NFE.</p> <p>147 NGO representatives received management training through workshops.</p> <p>Performance of the participating NGOs was carried on regularly through MIS and with the help of district coordinators and monitoring associates.</p> <p>Data and targets are available in MIS reports.</p> <p>5,479 supervisors and 82,185 teachers were trained.</p> <p>2.9 million learners covered.</p> <p>Social mobilization activities identified.</p> <p>Centrally developed materials distributed to project districts.</p> <p>Social mobilization materials developed and produced such as posters, calendars, diaries, TV serials, hoarding, and newsletters.</p>

DNFE = Directorate of Nonformal Education, HQ = headquarter, MIS = Management Information System, MOPME = Ministry of Primary and Mass Education, NCPME = National Council for Primary and Mass Education, NFE = nonformal education, NGO = nongovernment organization, PCR = Project Completion Report, PPMS = Project Performance Management System, TLM = Total Literacy Movement, TV = television.

ASSESSMENT OF OVERALL PROJECT PERFORMANCE

Criterion	Assessment	Rating (0-3)	Weight (%)	Weighted Rating
Relevance	Highly Relevant (3) Relevant (2) Partly Relevant (1) Irrelevant (0)	3	20	0.6
Efficacy	Highly Efficacious (3) Efficacious (2) Less Efficacious (1) Inefficacious (0)	2	25	0.5
Efficiency	Highly Efficient (3) Efficacious (2) Less Efficacious (1) Inefficacious (0)	2	20	0.4
Sustainability	Most Likely(3) Likely (2) Less Likely (1) Unlikely (0)	3	20	0.6
Institutional Development and other Impacts	Substantial (3) Significant(2) Moderate(1) Negligible (0)	2	15	0.3
Overall Rating	Successful		100	2.4