



# Completion Report

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Project Number: 33245  
Loan Number: 1756  
November 2008

## Sri Lanka: Secondary Education Modernization Project

## CURRENCY EQUIVALENTS

Currency Unit – Sri Lankan rupee/s (SLRe/SLRs)

		<b>At Appraisal</b>	<b>At Project Completion</b>
		31 July 2000	5 October 2007
SLRe1.00	=	\$0.0127	\$0.0088
\$1.00	=	SLRs78.46	SLRs113.45

## ABBREVIATIONS

ADB	–	Asian Development Bank
BME	–	benefit monitoring and evaluation
CAL	–	computer-assisted learning
CLC	–	computer learning center
CRC	–	computer resource center
EA	–	executing agency
EKSP	–	Education for Knowledge Society Project
GIT	–	general information technology
ICT	–	information and communication technology
ISA	–	in-service advisor
IT	–	information technology
MEHE	–	Ministry of Education and Higher Education
MIS	–	management information system
MMU	–	multimedia unit
MOE	–	Ministry of Education
MOFP	–	Ministry of Finance and Planning
NDF	–	Nordic Development Fund
NETS	–	National Education Testing Service
NIE	–	National Institute of Education
PCR	–	project completion report
PMO	–	project management office
PPP	–	public–private partnership
PSI	–	Program on School Improvement
SBA	–	school-based assessment
SBM	–	school-based management
SDR	–	special drawing rights
SDS	–	school development society
SEDP	–	Secondary Education Development Project
SEMP II	–	Secondary Education Modernization Project II

## NOTES

- (i) The fiscal year (FY) of the Government ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

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## CONTENTS

	<b>Page</b>
BASIC DATA	i
MAP	v
I. PROJECT DESCRIPTION	1
II. EVALUATION OF DESIGN AND IMPLEMENTATION	1
A. Relevance of Design and Formulation	1
B. Project Outputs	3
C. Project Costs	9
D. Disbursements	9
E. Project Schedule	10
F. Implementation Arrangements	10
G. Conditions and Covenants	11
H. Consultant Recruitment and Procurement	11
I. Performance of Consultants, Contractors, and Suppliers	12
J. Performance of the Borrower and the Executing Agency	13
K. Performance of the Asian Development Bank	13
III. EVALUATION OF PERFORMANCE	13
A. Relevance	13
B. Effectiveness in Achieving Outcome	14
C. Efficiency in Achieving Outcome and Outputs	14
D. Preliminary Assessment of Sustainability	15
E. Impact	16
IV. OVERALL ASSESSMENT AND RECOMMENDATIONS	16
A. Overall Assessment	16
B. Lessons	16
C. Recommendations	17
APPENDIXES	
1. Project Framework	19
2. Project Monitoring Indicators	25
3. Project Outputs at Appraisal, Revision and at Completion	27
4. Distribution of Outputs by Province	29
5. Innovative Features of Computer Learning Centers	30
6. Sisusaviya Scholarship Program	32
7. Project Costs by Category and Sources of Funding	34
8. Disbursed Amounts by Category and Year	35
9. Implementation Schedule Planned Compared to Actual	36
10. Status of Compliance with Loan Covenants	37
11. Economic Analysis	42
12. Project Completion Report Rating	44
13. Recommendations	45

## BASIC DATA

### A. Loan Identification

1.	Country	Sri Lanka
2.	Loan Number	1756 SRI (SF)
3.	Project Title	Secondary Education Modernization Project
4.	Borrower	Sri Lanka
5.	Executing Agency	<ul style="list-style-type: none"> <li>- Ministry of Education and Higher Education (January–December 2001)</li> <li>- Ministry of Human Resource Development, Education and Cultural Affairs (January 2002–April 2004)</li> <li>- Ministry of Education (May 2004–June 2006)</li> </ul>
6.	Amount of Loan	SDR38.07 million
7.	Project Completion Report Number	PCR: SRI 1049

### B. Loan Data

1.	Appraisal		
	– Date Started	10 June 2000	
	– Date Completed	23 June 2000	
2.	Loan Negotiations		
	– Date Started	7 August 2000	
	– Date Completed	9 August 2000	
3.	Date of Board Approval	12 September 2000	
4.	Date of Loan Agreement	20 October 2000	
5.	Date of Loan Effectiveness		
	– In Loan Agreement	18 January 2001	
	– Actual	18 December 2000	
	– Number of Extensions	0	
6.	Closing Date		
	– In Loan Agreement	30 June 2006	
	– Actual	5 October 2007	
	– Number of Extensions	0	
7.	Terms of Loan		
	– Interest Rate (Grace Period)	1%	
	– Interest Rate (Amortization Period)	1.5%	
	– Maturity (number of years)	32 years	
	– Grace Period (number of years)	8 years	
8.	Disbursements		
	a. Dates		
	<b>Initial Disbursement</b>	<b>Final Disbursement</b>	<b>Time Interval</b>
	22 December 2000	5 October 2007	81.5 months
	<b>Effective Date</b>	<b>Original Closing Date</b>	<b>Time Interval</b>
	18 December 2000	30 June 2006	66.4 months

b. Amount (SDR)		Original	Last Revised	Amount	Undisbursed
Category		Allocation	Allocation	Disbursed	Amount <sup>a</sup>
01	Civil Works	6,777,000	9,945,000	10,023,416	(78,416)
02	Equipment and Furniture	15,609,000	19,590,000	19,155,683	434,317
03	Instructional Materials	3,731,000	585,000	582,854	2,146
04	Printing, Guidance, and Evaluation/Testing Materials	571,000	550,000	650,737	(100,737)
05	Overseas Study Visits and Fellowships	1,344,000	1,625,000	1,584,648	40,352
06	Local Training	1,751,000	1,770,000	1,764,696	5,304
07	Surveys and Studies	76,000	28,000	14,254	13,746
08	Stipend Programs				
08A	Grades 10 and 11	761,000	1,350,000	1,440,025	(90,025)
08B	Grades 12 and 13	2,285,000	1,450,000	1,540,571	(90,571)
09	Project Management Office - Incremental Recurrent Costs	217,000	474,000	432,584	41,416
10	Interest Charge	1,142,000	640,000	639,886	114
11	Unallocated	3,807,000	64,000	0	64,000
	<b>Total</b>	<b>38,071,000</b>	<b>38,071,000</b>	<b>37,829,354</b>	<b>241,646</b>

<sup>a</sup>The undisbursed amount was cancelled at loan closing.

9.	Local Costs (ADB Financed)	
	– Amount (US Dollars)	17,946,521
	– Percent of Local Costs to be financed by ADB at Appraisal	95.07%
	– Percent of Total Cost actually financed by ADB	32.81%

### C. Project Data

1.	Project Cost (\$ million)		
	Cost	Appraisal Estimate	Actual
	Foreign Exchange Cost	38.8	42.4
	Local Currency Cost	37.2	27.8
	<b>Total</b>	<b>76.0</b>	<b>70.2</b>
2.	Financing Plan (\$ million)		
	Cost	Appraisal Estimate	Actual
	Implementation Costs		
	Borrower-Financed	17.0	9.0
	Asian Development Bank-Financed	50.0	54.7
	Nordic Development Fund-Financed	7.0	6.5
	Beneficiaries	2.0	— <sup>a</sup>
	<b>Total</b>	<b>76.0</b>	<b>70.2</b>

<sup>a</sup> Beneficiaries' contributions were borne by the Government during project implementation.

## 3. Cost Breakdown by Expenditure Accounts (\$ million)

Component	Appraisal Estimate			Actual		
	Foreign	Local	Total	Foreign	Local	Total
<b>Base Costs</b>						
Civil Works	3.30	7.00	10.30	4.78	11.76	16.54
Equipment and Furniture	19.00	8.50	27.50	29.58	5.54	35.12
Instructional Materials	6.20	0.40	6.60	0.87	1.00	1.86
Consulting Services	4.00	0.00	4.00	3.94	0.00	3.94
Staff Development	2.00	4.30	6.30	2.25	4.52	6.77
Stipend Programs	0.00	4.00	4.00	0.00	4.27	4.27
Surveys and Studies	0.00	0.10	0.10	0.00	0.02	0.02
Incremental Recurrent Cost	0.00	3.80	3.80	0.00	0.73	0.73
Taxes and Duties <sup>a</sup>	0.00	5.90	5.90	—	—	—
<b>Subtotal (Base Costs)</b>	<b>34.50</b>	<b>34.00</b>	<b>68.50</b>	<b>41.41</b>	<b>27.84</b>	<b>69.25</b>
<b>Contingencies</b>						
Physical	2.30	1.20	3.50			
Price	1.00	1.50	2.50			
<b>Subtotal (Contingencies)</b>	<b>3.30</b>	<b>2.70</b>	<b>6.00</b>			
<b>Interest Charges</b>	1.50		1.50	0.94		0.94
<b>Total</b>	<b>39.30</b>	<b>36.70</b>	<b>76.00</b>	<b>42.35</b>	<b>27.84</b>	<b>70.19</b>

<sup>a</sup> Incorporated in actual costs borne by the Government.

## 4. Project Schedule

Item	Appraisal Estimate	Actual
Consulting Services		
Phase 1	Q4 2000–Q4 2002	Dec 2001–Sep 2003
Phase 2	Q1 2003–Q4 2005	Dec 2003–Nov 2005
Civil Works		
Start	Q4 2001	Jul 2001
Completion	Q4 2003	Jun 2006
Equipment/Furniture		
First Procurement	Q2 2001	Aug 2001
Last Procurement	Q4 2005	Jun 2006
Instructional Materials		
First Procurement	Q3 2001	Jun 2003
Last Procurement	Q4 2004	Jun 2006

Q1 = Quarter 1, Q2 = Quarter 2, Q3 = Quarter 3, Q4 = Quarter 4.

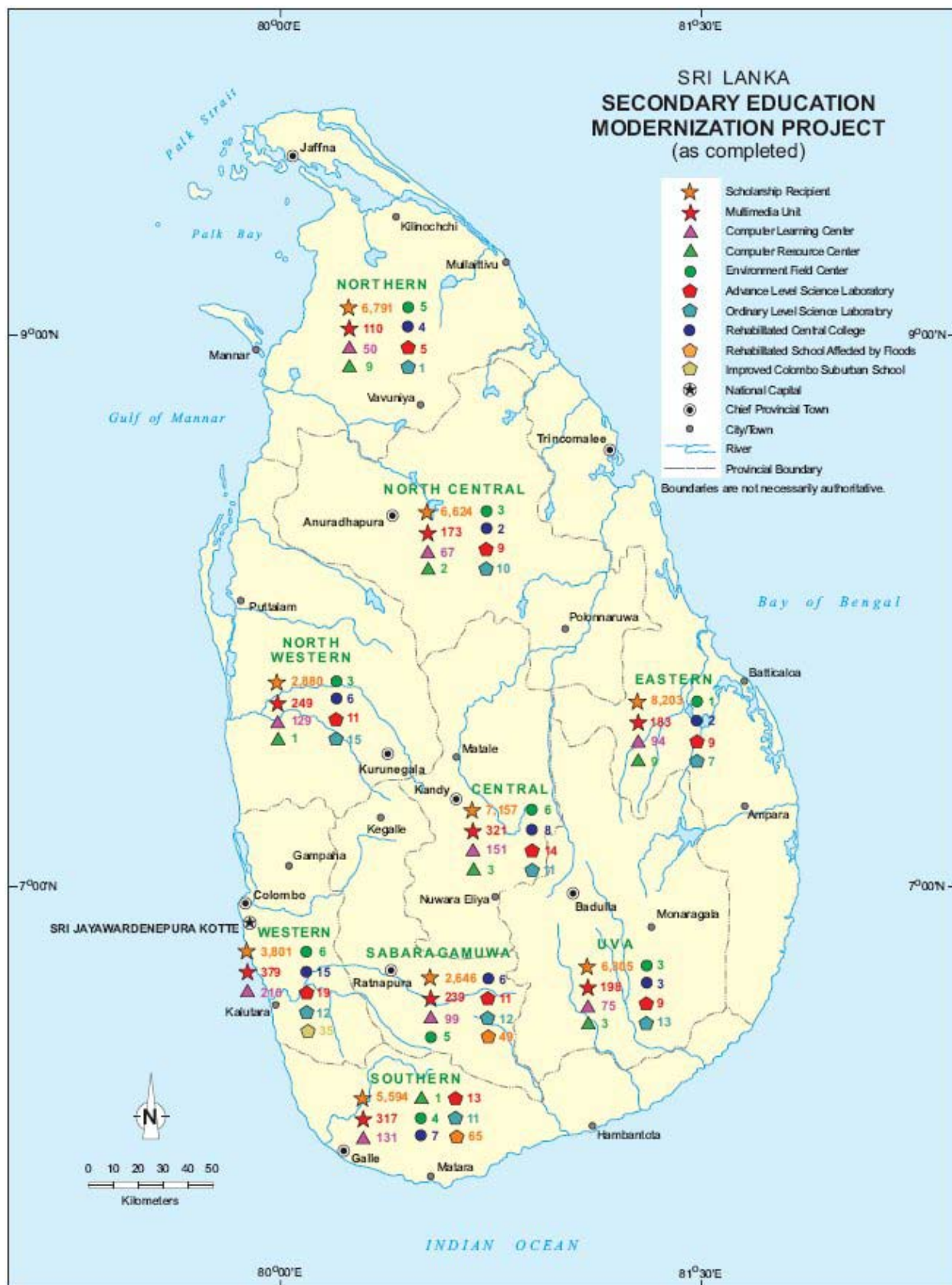
## 5. Project Performance Report Ratings

Implementation Period	Ratings	
	Development Objectives	Implementation Progress
1 January to 31 December 2000	Satisfactory	Highly Satisfactory
1 January to 31 December 2001	Satisfactory	Satisfactory
1 January to 31 December 2002	Satisfactory	Satisfactory
1 January to 31 December 2003	Satisfactory	Satisfactory
1 January to 31 December 2004	Satisfactory	Satisfactory
1 January to 31 December 2005	Satisfactory	Satisfactory
1 January to 31 December 2006	Satisfactory	Satisfactory
1 January to 31 December 2007	Satisfactory	Satisfactory

## D. Data on Asian Development Bank Missions

Name of Mission	Date	No. of Persons	No. of Person-Days	Specialization of Members
Loan Fact-Finding	29 Mar–19 Apr 2000	8	176	a, b, c, d, e, f, g
Loan Appraisal	10–23 Jun 2000	4	51	a, g, h, i
Loan Inception	26 Jan–2 Feb 2001	3	19	c, j, k
Loan Review 1	2–6 Sep 2001	1	5	j
Loan Review 2	23–28 Apr 2002	1	6	j
Loan Review 3	9–16 Dec 2002	1	8	j
Special Loan Administration	5–14 May 2003	1	10	l
Mid-term Review	30 Sep–9 Oct 2003	3	19	c, l, m
Loan Review 4	28 Oct–4 Nov 2004	1	8	a
Loan Review 5	10–16 Aug 2005	2	9	a, n
Loan Review 6	3–7 Apr 2006	3	10	a, c, k, m
Project Completion Review	21 Apr–6 May 2008	3	43	c, o, p

a = education specialist, b = programs officer, c = project analyst, d = financial analyst (consultant), e = economist (consultant), f = examination specialist (consultant), g = curriculum and assessment specialist (consultant), h = senior counsel, i = project specialist, j = senior education specialist, k = implementation/programs officer, l = principal project specialist/project administration unit head, m = social sector/resettlement officer, n = director, o = social sector economist, p = education specialist (consultant).



## I. PROJECT DESCRIPTION

1. The secondary education system in Sri Lanka had a number of problems in the late 1990s. Curricula were outdated and not in line with market demands. Student evaluation relied heavily on national ordinary-level and advanced-level examinations, as opposed to school-based assessment (SBA). The efficiency of the system was low due to low pass rates on the national examinations. Those who graduated lacked marketable skills and were poorly prepared to participate in the modern economy, resulting in higher-than-average unemployment among the educated, while emerging modern-sector employment opportunities remained unfilled due to a lack of qualified candidates. The poor had difficulty accessing good quality education, and there was limited access to stipends for disadvantaged students. Finally, supervision and management were inadequate at all levels.

2. Against this background, the Government of Sri Lanka requested the support of the Asian Development Bank (ADB) to modernize secondary education, as a means of promoting economic and social development and reducing disparities. In support of Sri Lanka's educational reform plans and at the Government's request, ADB designed the Secondary Education Modernization Project.<sup>1</sup> The Project's objective was to modernize the secondary school system and improve educational quality, so as to prepare youth to compete in the modern global economy. Improvements in quality were expected to lead to higher pass rates, especially through modernization of the curriculum, improved access for disadvantaged students, and enhanced education management. The Project consisted of three components. Component 1 modernized secondary schools by introducing modern teaching, learning, and evaluation methods to improve quality. Component 2 broadened educational opportunities for disadvantaged students by expanding the number of full-curriculum schools in rural areas, extending stipend programs to disadvantaged children, introducing career guidance programs to increase career information for expanded opportunities and mobility, and conducting research studies to determine cost-effective ways to accommodate public-private partnerships (PPPs) in secondary education. Component 3 improved delivery of educational services through (i) quality assurance within the Ministry of Education (MOE)<sup>2</sup> and the strengthening of local supervision and school-based management (SBM); (ii) SBA in grades 10–13, including modernizing the national examination administration at the National Education Testing Services (NETS); (iii) National Institute of Education (NIE) curriculum in-service training in the new technology education stream, career guidance, and computer training; and (iv) a project management office. The Project framework is in Appendix 1.

## II. EVALUATION OF DESIGN AND IMPLEMENTATION

### A. Relevance of Design and Formulation

3. At appraisal, the Project clearly supported the Government's priorities for improved social cohesion and economic development as specified in its poverty reduction strategy.<sup>3</sup> The Project further supported legislation for the devolution of education administration to provincial

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<sup>1</sup> ADB. 2000. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Democratic Socialist Republic of Sri Lanka for the Secondary Education Modernization Project*. Manila.

<sup>2</sup> As noted in Basic Data section A.5, the executing agency transformed twice during project implementation. Throughout the text, the executing agency will be referred to as MOE.

<sup>3</sup> Government of Sri Lanka. 2002. *Regaining Sri Lanka: Vision and Strategy for Accelerated Development*. Colombo.

authorities<sup>4</sup> and general education reforms introduced in 1997. The Project was in line with ADB's country strategy<sup>5</sup> at appraisal, which aimed to assist Sri Lanka reduce poverty and achieve a sustainable higher level of economic growth. Means to achieve this included supporting human development to address the gap in marketable skills and thereby improve employment and income levels, especially by targeting the poor. The Project built on the accomplishments of the Secondary Education Development Project (SEDP),<sup>6</sup> which provided the underpinnings for education reform through the establishment of NETS and curriculum development for grades 6 to 11.

4. The Project remained relevant to ADB's country strategy<sup>7</sup> at completion, which focused on supporting secondary and postsecondary education to enhance human resource development. A new national government was elected in November 2005, and the development plan<sup>8</sup> released in January 2007 emphasized continued development in rural areas to achieve the Millennium Development Goals, and reduction of regional inequality and income poverty levels. The relevance of the Project is also demonstrated by the approval of two consecutive projects in the secondary education sector in Sri Lanka that build on the Project; the Secondary Education Modernization Project II (SEMP II) and the Education for Knowledge Society Project (EKSP).<sup>9</sup>

5. The project design and formulation process correctly identified and addressed the key issues of access, quality, relevance, effectiveness and efficiency of secondary education in public schools. The project design included three innovative concepts: (i) it introduced profound changes in the curriculum and teaching methodology; (ii) it introduced SBA and the integration of in-class assessment marks with the final results of the ordinary-level and advanced-level examinations; and (iii) emphasized increased access to computers and information and communication technology (ICT), particularly in rural and remote locations. Two components—PPP and career guidance—were correctly identified but could have been better designed. The nationwide study on PPP attracted political resistance, while career guidance should have been more clearly distinguished from other forms of counseling.

6. The stakeholders in the Project were (i) the 2,300 secondary schools, including the principals, teachers, students and parents; (ii) zonal and provincial education authorities; and (iii) MOE. The stakeholders were involved in key decisions regarding project formulation and implementation. Project ownership by the government continued to increase from appraisal to completion. Extensive consultations with government officials at national, provincial and zonal levels ensured effective communication and their direct involvement in policy, financial and other decisions. Ongoing dialog between the project management office (PMO), the provincial project management offices and project stakeholders resulted in joint ownership of PMO and provincial project management office-led activities.

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<sup>4</sup> The devolution of education administration to provinces was stipulated in the 13th amendment to the constitution in 1987.

<sup>5</sup> ADB. 2000. *Sri Lanka Country Assistance Plan 2001–2003*. Manila.

<sup>6</sup> ADB. 1993. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Democratic Socialist Republic of Sri Lanka for the Secondary Education Development Project*. Manila.

<sup>7</sup> ADB. 2003. *Sri Lanka Country Strategy and Program 2004–2008*. Manila.

<sup>8</sup> Ministry of Finance and Planning, Government of Sri Lanka. 2007. *Mahinda Chintana: Vision for a New Sri Lanka*. The 10 year development plan for Sri Lanka, January 2007. Panaluwa, Padukka.

<sup>9</sup> ADB. 2004. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Democratic Socialist Republic of Sri Lanka for the Secondary Education Modernization Project II*. Manila., and ADB. 2007. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and Asian Development Fund Grant to the Democratic Socialist Republic of Sri Lanka for the Education for Knowledge Society Project*. Manila.

7. Changes made during implementation provided an appropriate response to unforeseen needs and efficient use of savings. Savings enhanced the coverage of the Project by providing more scholarships and ICT equipment, and allowed rehabilitation of a number of schools and colleges, in line with the Project's objective to enhance the quality of secondary education.

8. The project preparatory technical assistance (TA)<sup>10</sup> was implemented by MOE in close cooperation with key stakeholders. In addition to the issues identified at the outset of the TA—upgrading 4-year secondary schools, curriculum revision and assessment reform—the TA additionally identified issues related to school supervision, education planning, management and financing as well as access to secondary education by disadvantaged children. The recommendations of the TA were generally appropriate and were retained in the project design.

## **B. Project Outputs<sup>11</sup>**

### **1. Quality Improvement in Grades 10–13 (Component 1)**

9. **Curriculum Strengthening.** Strengthening of curriculum in key subjects (English, science, mathematics, environmental studies, commerce, and technology courses) in grades 10–11 (ordinary level) and 12–13 (advanced level) was a core initiative undertaken by NIE to revise the content of existing courses, develop new courses and introduce modern teaching methods. Subject syllabi were prepared and submitted to the Education Publications Department of MOE for preparation, publication and distribution of textbooks and instructional materials to support the revised curriculum. In the early stages of project implementation, delays in the preparation and distribution of books and instructional materials were experienced. The outputs of this component were integrated with the regular curriculum revisions, which took place for ordinary-level grades in 2006 and which is ongoing for advanced-level grades. Quality assurance processes are currently being established for NIE to review textbook content and instructional design to ensure congruity with the revised curriculum and activity-based teaching and learning methods.

10. Preparation of teacher-training manuals and in-service training for teachers and subject heads or in-service advisors (ISAs) was undertaken by NIE. Interviews conducted during the project completion review site visits confirmed that teachers had received training in the new curriculum and activity-based teaching methodology. Teachers and school principals were very supportive of the reforms to make teaching and learning more activity-based. At project completion, over 5,200 ISAs and teachers had been trained by NIE. These lead trainers continued dissemination of the new curriculum and activity-based teaching methods to teachers in their respective education zones and schools.

11. New subjects developed by NIE through the Project include general information technology (GIT) for advanced-level grades, which started in 2004, and information technology (IT) for ordinary-level grades, which was introduced in January 2006. NIE developed detailed syllabi, teacher guides, CD-ROMs, and conducted teacher training programs on IT and GIT.

12. The introduction of technology as an optional subject in the advanced-level grades was achieved by the Project through NIE. Six advanced-level technology subjects<sup>12</sup> were piloted in

<sup>10</sup> ADB. 1999. *Technical Assistance to Sri Lanka for Preparing the Secondary Education Modernization Project*. Manila.

<sup>11</sup> Quantitative information on project outputs can be found in Appendixes 2 to 4.

<sup>12</sup> Electrical and electronics, mechanical and automotive, civil and construction, agriculture, home economics and ICT.

44 schools. The University Grants Commission approved technology subjects as an option for admission to university arts and commerce streams, a significant accomplishment that acknowledges the need to diversify secondary school curriculum in an increasingly technological environment. Opposition from some universities prevented introduction of the technology stream and the introduction of technology courses as an optional subject in the science stream. Site visits to three pilot schools highlighted the challenges of attempting to retrofit small classrooms to teach technology subjects. Despite the many challenges and hardships during the pilot testing, the results are very encouraging and support continued improvement of conditions and quality of the teaching environment. The demand for technology subjects by students who may otherwise discontinue their studies or experience frustration and repeated failure in academic subjects is potentially high.

13. **Environmental Studies Field Centers.** At appraisal the Project proposed to establish 30 centers in schools with special ecosystems that could support activity-based learning in subjects related to environmental sustainability. At completion, 25 centers were reported to be fully operational. Site visits to three environmental centers in three different provinces revealed consistency in the purpose and quality of the facilities, the training received by the center staff and the effectiveness of the programs provided. Each center organizes and conducts a series of 3-day residential programs for advanced-level students and 1-day programs for Grade 6–11 students. The impact of this innovative approach to support multi-disciplinary activity-based teaching and learning has been significant. Despite some resource and operational constraints, the environmental studies field centers have positive outcomes that should be nurtured and better resourced.

14. **Multimedia Units.** Multimedia units (MMUs) were included in the project design to modernize teaching. Classrooms in 2,169 schools (against an appraisal target of 2,500) were converted to MMUs. Schools were expected to provide a room, furniture and a teacher. Each MMU was equipped with a television, video cassette recorder or video compact disc player, radio, tape recorder, an overhead projector and a white board. NIE prepared 45 provincial master trainers to train teachers in charge of MMUs and developed a handbook on multimedia education. Mission visits to schools revealed mixed success in the use of MMUs. Utilization ranged from equipment being kept in a storage room to MMUs that were booked for a large number of periods and had a library of multimedia materials available. Due to the shortage of classrooms in most schools, the room identified for MMU was typically small and could not accommodate large classes. A bigger problem, however, is that educational media technology has changed substantially since the project design was prepared. The present use of overhead projectors, video cassette recorders and audio tape players is rare. Computers and digital media projectors that provide superior quality presentations have replaced the older technology.

15. **Computer Learning Centers.** The Project included provision of computer learning centers (CLCs) in 800 schools—a target that was later revised upward to 1,000 schools—to develop computer literacy and support computer-assisted learning (CAL) in core subjects. In total, 1,006 schools received (i) civil works to convert existing classrooms to CLCs; and (ii) furniture, air conditioners and 15–25 computers, depending on the total number of students enrolled. Funds to cover the recurrent operating costs for the first 2 years were provided by the Project. Schools were encouraged to organize after-hour computer courses for a fee to generate revenue, primarily to offset utility costs and recurring maintenance after expiry of the supplier warranty. Schools were permitted to collect and retain fees for after-hour usage of the computers and to use the money to pay operating costs. At project completion, around 70% of schools were successful in recovering costs (Appendix 5).

16. Training for CLC managers and approximately 20 teachers per school was scheduled to coincide with delivery and commissioning of the computers. At project completion, 23,960 teachers had received training on computer operations and CAL, which was assessed as being of good quality. The provision of internet connections for CLCs through SchoolNet was operational by July 2006 (Appendix 5). School visits confirmed the findings of a CLC evaluation study<sup>13</sup> that the CLCs were extensively used and that the students demonstrated increased motivation and much enthusiasm to acquire greater competencies in ICT. CLCs were also found to enhance proficiency in English and to reduce absenteeism. The CLCs are an innovative and visible feature of the Project and have contributed to reducing the digital divide between urban and rural areas. Critical challenges faced by the centers include lack of ICT- and CAL-trained teachers, recurring operating costs, and the absence of any long-term strategy for the replacement of aging computers.

17. In addition to the CLCs, the Project provided computer resource centers (CRCs) in 27 locations that could not be covered under the SEDP. The purpose of the CRCs was similar to that of the CLCs, but with greater emphasis on a wider range of users, including the community external to the school. Due to the popularity of IT and GIT as optional subjects, many schools now use the CRC as a CLC.

## 2. Access to Quality Instruction for Disadvantaged Students (Component 2)

18. **Upgrading to Full-Curriculum Schools.** To improve access and quality of science education, particularly at the advanced level (grades 12–13), science laboratory facilities in 100 schools were selected for upgrading. The Project provided civil works to construct new buildings, and furnishings and equipment. At project completion, science labs in 77 schools were operational. The main constraint to placing science classes in the remaining 23 schools in operation was the general shortage of qualified advanced-level science teachers in the country. The component additionally provided ordinary-level science rooms and laboratory facilities for 93 schools, ordinary-level science equipment for 1,500 schools, and advanced-level equipment for 600 schools. Where laboratories are operational, teachers noted greater student motivation and the likelihood of improved achievement. Seventy-five percent of the students surveyed<sup>14</sup> had positive perceptions of access to the facilities and the opportunity to acquire scientific skills through practical work. Some schools could not retain students opting for the science stream in more popular, better-equipped schools with higher pass rates on ordinary-level and advanced-level examinations.

19. **Stipends for Disadvantaged Students.** At appraisal, the Project was to provide "Sisusaviya"<sup>15</sup> scholarships to 30,000 deserving students studying in grades 10–13 who were in need of financial assistance to pursue higher grades and to prevent school dropouts. The target was later revised to 50,000. At project completion, a total of 50,001 students had been awarded scholarships covering all provinces of the country. The highest number of scholarships was awarded to the Northern and Eastern provinces, with approximately 15,000 recipients or 30% of the total. Central, North Central and Uva provinces each received 13% to 14% of the scholarships. The distribution of scholarships is consistent with the poverty head count index in Sri Lanka. The annual dropout of Sisusaviya scholarship holders (below 1%) was extremely low. To minimize the administrative burden on the Government, scholarship funds were channeled directly to stipend recipients' savings accounts through the branch network of three state banks.

<sup>13</sup> Helsinki Consulting Group. 2004. *Evaluation Study on Computer Learning Centers*. October 2004.

<sup>14</sup> Survey of principals, teachers, and students in 50 project recipient schools in Jayaweera. S. 2006. *Secondary Education Modernization Project Impact Evaluation Report*. Ministry of Education, Battaramulla.

<sup>15</sup> 'Sisusaviya' stands for 'student strength'.

A study<sup>16</sup> on the effectiveness of the Sisusaviya scholarship program indicated that the assistance helped students continue their studies and overcome family financial constraints, thus allowing the students to engage in studies and achieve improved examination results. Of the evaluation study respondents, 65% passed the ordinary-level exam and qualified for the advanced level, as compared to the national average of 44%. Of those who completed the advanced-level examinations, 58% passed and qualified for university admission. Of those who qualified, 19% achieved university admission. These results exceeded the national average in which 40% of advanced-level candidates qualify for university and about 10% gain admission. The analysis provides convincing evidence that the Sisusaviya scholarship program has made an impact in assisting bright students of disadvantaged families to continue their education and perform well on ordinary-level and advanced-level examinations. Appendix 6 provides more details on the scholarship program.

20. **Career Guidance for Educational Opportunities.** The Project was to build on the on-going counseling and guidance program by expanding it to include career guidance. The Project trained 105 ISAs and 1,068 principals and teachers in a 4-day orientation program organized in collaboration with NIE. Career guidance often tended to be subsumed and to be invisible in the counseling and guidance program, as the focus was more on personal and educational guidance. Site visits to schools in six of nine provinces indicated little or no information is provided on career guidance. Teachers assigned to provide career guidance and counseling received training emphasizing counseling to encourage children to perform better in their academic studies. Psychological and socioeconomic problems of children take precedence over career guidance. The project component has potential if it is clearly distinguished from guidance and counseling, establishes close links with training institutions and employment agencies, and enhances its visibility in schools.

21. **Public-Private Partnerships and Secondary School Financing.** At appraisal, the Project aimed to conduct a study to explore the role of PPPs to revitalize the sector and make it competitive. Within this context, the Project initiated a pilot project to involve 25 private firms in the management of CLCs. However, the study was discontinued due to lack of interest from the private sector partners and government policies. A more practical aspect of PPP has been the establishment of several partnership agreements with IT companies or private establishments for software delivery and training teachers in computer skills. The private companies have successfully imparted basic computer skills to teachers.

22. **Rehabilitation of 35 Identified Secondary Schools.** At the mid-term review in 2003, the need to rehabilitate 35 secondary schools in Western Province was identified to minimize student congestion at adjacent unmanageably large secondary schools, where about 5,000-6,000 students are enrolled. At project completion all construction works in those 35 schools had been completed. It was observed that four emerging secondary schools that were rehabilitated under the Project gained momentum in attracting students during past few years. However, the issue of high demand for popular schools is extremely complex and could not be solved simply by building additional classrooms in less popular schools. There is a government policy on admission to public schools; if applied it could readily control the admission of children in each school. The policy is frequently overlooked, particularly when political influence or financial incentives are used to influence decisions on school admission.

23. **Rehabilitation of 54 Central Colleges.** Central colleges were established in the 1940s to extend quality secondary education to rural communities. In the 1950s and 1960s, the central

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<sup>16</sup> D.S Mettananda. 2005. *Evaluation of the impact of the sisusaviya scholarship programme*. Ministry of Education, Battaramulla.

colleges played a prominent role in the socioeconomic development of rural communities. Changes in the social and economic conditions of the country, combined with aging buildings and infrastructure, led to a decline in the quality and appeal of many central colleges. Funds allocated by the Project were used to upgrade the hostels and provide ICT, multimedia, and ordinary-level and advanced-level science equipment and instructional materials, such as library books.

24. **Rehabilitation of 114 Flood-Affected Schools.** At the mid-term review, 114 secondary schools in Sabaragamuwa and Southern provinces that were affected by the major floods in 2003 were identified for rehabilitation. The Project provided civil works to repair damaged buildings, construct retaining walls, and restore the water supply and sanitary facilities.

### 3. Efficiency in Management and Supervision (Component 3)

#### a. Ministry of Education

25. **Capacity Development of the Ministry of Education.** The Project supported MOE in improving mechanisms for effective administration and school management through an organizational structure involving national, provincial, zonal and divisional offices to support 2,300 secondary schools. MOE received the services of four international consultants with 28 person-months of inputs and 10 domestic consultants with 57 person-months of inputs, compared to 28 person-months of international expertise and 48 person-months of domestic expertise planned at appraisal. Areas covered include education publishing, career guidance, computerized management information systems (MISs), education finance, education policy formulation, a needs analysis survey, and monitoring and evaluation. MOE personnel received long-term and short-term fellowships and study visits amounting to 407 person-months, out of which 325 person-months were allocated to school principals and teachers.

26. **Career Guidance and Quality Assurance.** In 2002, the Director of the Career Guidance and Counseling Division of MOE and one officer from NIE attended a 6-month diploma course in India on counseling and career guidance. Through the Project, the division received the services of two consultants. The Project produced posters, leaflets and a psychological testing service guide for counselors. Career guidance activities had no visible impact (para. 20). The Management and Quality Assurance Unit of MOE was established in 2001. Two international consultants helped develop a quality assurance strategy and procedures for collecting data. Focusing first on internal self-evaluation, a series of instruments on internal self-evaluation were developed and distributed among secondary schools. The Management and Quality Assurance Unit has made slow progress since its establishment. Quality assurance receives low recognition by other entities in the ministry, and school principals considered it a very time-consuming additional responsibility added to their already heavy workload.

27. **School-Based Management.** MOE considers the devolution of education management to the provinces, zones and schools to be important. A particular focus under the Project was the empowerment of principals to manage their schools. A concept paper on SBM was developed in 2002 by MOE in collaboration with NIE. Political pressure stemming from concern over possible attempts to privatize education caused a delay in implementing SBM. The purpose was misinterpreted, necessitating a delay and name change, from SBM to the Program on School Improvement (PSI). A national pilot program on PSI covering 1,495 schools was launched in June 2005. The program advocates development of a school development committee and supports the devolution of fund management to the zonal offices and schools.

Although a considerable amount of energy and resources has been spent on the preparation of the manuals, training of principals and other personnel, and other preparatory work, the implementation of SBM has been slow.

#### **b. National Evaluation and Testing Service**

28. **School-Based Assessment.** The introduction of SBA supplemented the centralized ordinary-level and advanced-level examinations with a more continuous assessment system at the school level. NETS staff received 72 person-months of long-term fellowships and 30 person-months of short-term study visits. NETS was assisted by 69 person-months of international and 41 person-months of national consultant inputs in the development of SBA. Thirteen additional staff members were appointed, as opposed to the envisioned 32. Legislation establishing NETS as an autonomous agency was not enacted (para. 43).

29. Starting in 2002, SBA results are displayed on the ordinary-level certificate, and beginning in 2005 on the advanced-level examination results. At the early stage of SBA implementation, there was resistance from teachers on the ground that SBA increases their workload. Resistance gradually diminished and teachers now extend full cooperation and willingly take part in SBA implementation. Parents are aware of the merits of SBA and support the innovation. After introducing SBA, pass rates on ordinary-level and advanced-level examinations have gradually improved. There is scope for improvement in the taking of remedial action when student weaknesses have been identified.

#### **c. National Institute of Education**

30. Capacity development of NIE consisted primarily of the provision of consulting services to assist staff in development of revised curricula, syllabi, teacher manuals, and teaching methods. A total of 99 person-months of inputs by 11 international consultants and 75 person-months of inputs by nine domestic consultants were provided. Seven members of the staff of NIE benefited through 18 person-months of foreign study visits under the Project, as compared to 27 person-months planned at appraisal. Equipment was provided to develop the new technology syllabi and electronic learning materials. The capacity development efforts were largely successful and contributed to NIE (i) strengthening the curriculum, (ii) delivering the required training programs, and (iii) producing CAL software. NIE is increasingly engaged in partnerships with private sector producers and software developers to enhance the quality and sustainability of software development and expand the availability of CAL software.

#### **d. Project Management Office**

31. At appraisal, the services of SEDP PMO staff were retained and their competencies upgraded to assume a greater role in managing the Project. A total of 29 cadre positions were provided for the PMO, of which 26 were filled. The project director, project accountant and procurement officer changed in November 2002, February 2003 and April 2003, respectively. Due to initial implementation delays and a subsequent focus on rapid implementation of activities, less attention was given to monitoring and evaluation. A benefit monitoring and evaluation manager only joined the PMO in August 2005 under SEMP II. As a result, there was no systematic monitoring of progress of project components and their outcomes until 2005, except for regular monitoring on financial and physical progress by MOE's Planning Division.

### C. Project Costs

32. Total estimated project cost at appraisal was \$76 million equivalent, inclusive of taxes, duties, interest charge, and contingencies. ADB was to provide a loan of SDR38.1 million or \$50 million equivalent (66% of the total project cost) from its Special Funds Resources to finance 85% of the foreign exchange and 46% of the local currency costs. The Nordic Development Fund (NDF) was to co-finance the remaining foreign exchange costs in the amount of \$7 million. The Government was to finance the remaining local currency costs estimated at \$19 million, \$2 million of which was to be contributed by school development societies (SDSs).<sup>17</sup>

33. The Project was implemented within its estimated costs, utilizing \$70.19 million or 92% of the appraisal estimate of \$76 million (Appendix 7). During project implementation, more funds were reallocated to civil works, equipment and furniture, and stipends for grades 10 and 11 from the unallocated and other categories, where savings were identified. MOE's expansion of its free book and teacher guide distribution programs generated savings from the Project's instructional materials category. Also utilization of recurrent costs was lower than expected due to internet connectivity charges that were incurred beyond project closing. Savings and reallocations addressed price escalation and allowed for a wider project scope, enhancing the efficiency of the intervention.

34. Actual ADB loan disbursements amounted to SDR37.8 million (\$54.7 million equivalent) due to the appreciation of the SDR against the US dollar. The additional available funds helped finance civil works and equipment and furniture for the additional components (ADB financing covered 90% of the civil works costs and 100% of the equipment and furniture). Against the appraisal estimate of \$7 million, NDF provided a total of \$6.45 million for consulting services and part of the science equipment. The Government's actual expenditures amounted to \$9.04 million. Lower government expenditures can be explained by (i) the depreciation of the SLRe against the US dollar over the project period; (ii) delayed internet connectivity of CLCs, with the result that costs were incurred beyond project closing; (iii) the SDS share, which was not unaccounted for; and (iv) some local training that did not materialize.

### D. Disbursements

35. Disbursements reached \$70.19 million at loan closing. The majority of these were for equipment and furniture, and civil works, which utilized 50% and 23% of the project funds, respectively. Of the disbursed amount, ADB financed 78%, NDF 9%, and the Government 13%. While the Project's annual disbursements from 2000 to 2007 showed initial delays until 2002, disbursements gained momentum from 2003 onwards (Appendix 8).

36. ADB's direct payment, reimbursement, and imprest fund procedures were applied to disburse funds under the Project. Initially, an imprest advance of \$2 million was released for the Project's startup activities. In 2005, the Government requested increasing this ceiling to \$3 million in order to meet the Project's final phase requirements. However, with the observation that utilization of the imprest fund had been generally slow under the Project, the imprest fund ceiling was maintained at \$2 million until loan closing.<sup>18</sup> While withdrawal applications were

<sup>17</sup> The SDS is chaired by the school principal and comprises parents, teachers, and students.

<sup>18</sup> Utilization of the imprest fund is reflected in the Project's imprest fund turnover ratio (IFTR), which is computed based on the imprest amount ceiling, and the frequency and amounts of submission of withdrawal applications for replenishments within a 12-month period. An ideal IFTR should be 2 or higher for any Project. The Project's IFTR at mid-term (December 2003) was 0.91. This decreased to 0.60 in December 2004, and reached 0 in June 2005. The Project's IFTR averaged 0.78 for the entire project period.

eventually submitted to replenish the imprest fund, the slow turnover contributed to difficulties in liquidating the imprest advance by loan closing, which took 15 months. The limited utilization of imprest funds resulted from the Government's consideration that most Project expenditures during the mid-term were more appropriately settled either through direct payment or reimbursement arrangements.

## **E. Project Schedule**

37. The Project was to be implemented for a period of 5 years from January 2001 to the end of 2005. Actual implementation began as soon as the Project became effective in December 2000. Completion of some civil works continued beyond June 2006 (para. 47). Delays were encountered in establishing internet connectivity in the CLCs, resulting in substantial expenditures that went beyond project closing. A number of other outputs also incurred delays, as discussed in section II.B. Nevertheless, the project schedule was generally followed as planned (Appendix 9). Loan closing remained at 30 June 2006, but ADB allowed for the submission of pending claims until 1 November 2006. Due to delayed submission of documents by the Government to liquidate its imprest fund advance, the loan account could not be closed until 5 October 2007.

38. In hindsight, a loan extension may have been considered, given the political and security situation towards the end of the Project. However, the Government's effort to adhere to the project schedule was notable and a significant majority of project targets were promptly achieved.

## **F. Implementation Arrangements**

39. The Project was generally implemented as planned. The Ministry of Education and Higher Education served as the executing agency (EA) during the Project's initial year, and was succeeded by the Ministry of Human Resource Development, Education and Cultural Affairs following ministerial changes in the Government, which was later renamed (and currently remains) the Ministry of Education (MOE). None of these changes affected project implementation. The retention of SEDP PMO staff provided continuity and expertise to manage project activities. Changes in the key positions in the PMO led to an acceleration of activities in the Project's third year.

40. A network of coordinators in each of the eight provincial education departments and the zonal education offices provided crucial support to the PMO in project implementation. The provincial education departments served as important links between the PMO and the schools by overseeing project activities, including school funds and in-service training activities of provincial staff, zonal staff, school principals, and teachers. The zonal offices assisted with the scholarship program, delivered science equipment to schools, and provided institutional support to schools during the first 2 years of CLC operations. Its staff also conducted regular school visits to identify areas for improvement.

41. A project steering committee for policy guidance, and project coordination and implementation was established 3 months after loan effectiveness. The Committee was to meet at least quarterly, but instead of chairing regular meetings, MOE provided advice on policy and implementation arrangements as needed or whenever consulted by the PMO and other concerned agencies. While some agencies felt that regular steering committee meetings would have been useful, the guidance and support received from MOE was adequate.

## G. Conditions and Covenants

42. The loan agreement contained 30 covenants, 24 of which have been satisfactorily complied with. Four covenants were partly complied with, while two covenants were not complied with (Appendix 10). Covenants were generally relevant. No covenant was modified, suspended or waived. Reporting requirements were satisfied, although a number of audit reports were received late.

43. One covenant that was not complied with relates to the establishment of NETS as an autonomous agency. A draft act was prepared for submission to Parliament, but NETS management ultimately decided to maintain the prevailing system due to: (i) the perception that becoming autonomous would result in the appointment of inexperienced or politically influential board members that would in turn affect public trust in the efficiency of the department; (ii) concerns among employees that complete privatization would deteriorate the original mandate of the department; and (iii) the threat to the practice of free education if the department was forced to source funds itself. NETS operations were not affected by the continuation of the existing status. The other covenant that was not complied with relates to the implementation of a career guidance policy in Grades 11 to 13. A national policy paper was drafted by the National Education Council in this regard but was disapproved by MOE. Career guidance is extensively discussed in paras. 20 and 26.

44. Covenants that were only partially complied with include a shortfall in NETS recruitment. The shortfall did not affect achievement of outputs by NETS, as it was compensated for by computerization and automation. A study on public–private partnerships remained uncompleted. However, several initiatives to involve the private sector in teacher training for IT and software development were undertaken. SBM remained a pilot project as opposed to being implemented in all schools. The Government continues to pursue the objectives under the PSI initiative. The project steering committee was established, but met infrequently.

## H. Consultant Recruitment and Procurement

45. **Consultants.** The NDF financed the provision of consulting services, and MOE thus selected and engaged the consultants in accordance with applicable NDF guidelines. A total of 373 person-months of consulting inputs (190 person-months of international and 183 person-months of local inputs) were to be provided. Given the size of the consultancy package, inputs were divided into two phases. Phase 1 supported activities in institutional development, SBM, quality assurance, test construction and item banking, computer services for examinations, SBA, examinations assessment, software development, curriculum development, teacher education, and CAL. Services commenced in December 2001 and were completed by the project mid-term, around September 2003. Phase 2 inputs were for curriculum development, examinations management, and secondary education, planning and management. These consultants were fielded from December 2003 to December 2005. No problems were encountered in consultant recruitment.

46. **Civil Works.** There were numerous small civil works contracts under the Project, awarded in accordance with the Government's standard bidding procedures, which were acceptable to ADB. Provincial project engineers monitored civil works activities in their respective areas while the PMO project engineer provided overall supervision and monitoring.

47. In the Northern and Eastern provinces, the conflict and aftermath of the December 2004 tsunami made it difficult to start the remaining and complete any ongoing construction work.

Security measures in those areas hampered the delivery of construction materials. The circumstances and the surge in emergency assistance for rehabilitation of tsunami-affected areas made attracting good contractors challenging. The Project engaged local contractors, but this affected quality of the works in some cases. Most civil works in these areas could only be completed after the project period (by late 2006), and the Government absorbed the remainder of the costs, including payment of retention money to the contractors.<sup>19</sup>

48. **Equipment and Furniture.** Procurement of all goods was done centrally through the PMO. On a number of occasions, non-winning or non-responsive bidders questioned the integrity of the Government's bid evaluation processes. The Government either took the lead or (at ADB's request) promptly responded to and resolved such concerns. One issue relating to the Project's first procurement contract for the supply and installation of computers remained outstanding at project completion (para. 51).

49. To avoid problems in procurement and delivery, the PMO met quarterly with the suppliers and the schools. Technical complaints and other troubleshooting requirements of schools were also addressed in these meetings. Procured items have a warranty period of 5 years. At project completion some schools were already preparing to bear maintenance costs by using their earnings from the CLCs.

#### **I. Performance of Consultants, Contractors, and Suppliers**

50. Consultants had to adapt the requirement to modernize the secondary education curricula to the learning environment found in schools, which included a lack of enclosed classrooms, overcrowding, and a lack of space and materials. Despite this and the replacement of the team leader and some experts toward the end of the project, the Government assessed that implementation of and outputs from consultancy services were satisfactory. Absorbing extensive inputs offered by the consultants and translating the consultants' recommendations into policy actions and field activities was challenging. There was scope in some instances for improvement in undertaking follow-up activities to implement the consultants' findings.

51. The Project's major procurement contracts were for computers and accessories, and a computer procurement program was prepared with eight packages to be tendered under four contracts. The first contract was awarded in October 2002 for procurement of 1,955 computers for distribution to 116 CLCs. The supplier delivered the required quantity of hardware, but only one set of licensed software per school. An ADB special loan administration mission found that this was the result of vague instructions in the bidding documents, an incomplete bid evaluation exercise, and a misunderstanding between the Project and the supplier on the required number of software packages that remained unresolved. Arbitration between the Government and the supplier was pursued and has not yet been concluded. ADB received allegations of irregularities in the award of the contract to the winning bidder, and the case was reviewed by ADB's Anticorruption Unit, which concluded that further investigation was not necessary. Lessons from the first procurement were incorporated in the succeeding contract awards.

52. The installation of some computers was delayed due to a lack of electrical substations to supply the required power to the schools. Similarly, internet connectivity was difficult in areas where access to service providers is limited. This has led to non-payment of internet costs under the Project, which were incurred beyond loan closing.

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<sup>19</sup> Civil works contracts awarded in 2005 had a 9-month retention period that went beyond loan closing.

## **J. Performance of the Borrower and the Executing Agency**

53. MOE and the External Resources Department of the Ministry of Finance and Planning provided timely support to ensure satisfactory project implementation. Central authorities were supported by an extensive network of provincial and zonal education offices and provincial project managers. The PMO was well integrated with other departments and agencies of MOE. Managerial continuity was generally provided, despite a change in the project director and PMO staff during the project. These transitions were supported by interim arrangements that allowed continuity and smooth turnover of responsibilities. Owing to good performance of the EA, project activities were largely completed within the project period, despite a slow start of activities. The EA drew lessons from the initial procurement of computers and software, and subsequent packages were contracted smoothly.

54. Capacity development activities under the Project contributed to enhanced capacity of the central agencies. Strengthening the capacity of other agencies, including provincial and zonal offices, and schools, as well as selected areas of further capacity development of the ministry (to introduce e-governance to the education system) and NETS (to improve and streamline the national testing and evaluation process) were taken up in the subsequent project.

55. The PMO established under SEMP continues to operate for SEMP II and EKSP, and also continues to collaborate with other key implementing agencies, thereby contributing to continuity and improved institutional capacity for project implementation.

56. In view of the above, EA performance is rated satisfactory.

## **K. Performance of the Asian Development Bank**

57. ADB conducted regular review missions during project implementation. In total, seven review missions (including the mid-term review) and one special loan administration mission were conducted. Three ADB officers were responsible for the Project over the project cycle. ADB Headquarters and resident mission staff were found to be responsive to clarifications sought on project-related issues, in providing guidance, and granting required approvals. Further measures to streamline approval and concurrence processes with clear timeframes would enhance efficiency of project management. No major problems were encountered in the use of ADB procedures for procurement and disbursement. More careful review of bidding documents could have prevented initial complications with the bid documents for computers and software.

58. Overall, ADB's performance is rated satisfactory.

## **III. EVALUATION OF PERFORMANCE**

### **A. Relevance**

59. The Project was found to be "highly relevant". The Project clearly supported the Government's priorities to enhance the quality of and improve access to secondary education. The Project addressed the key issues of access, quality, relevance, effectiveness, and efficiency of secondary education in public schools. The introduction of innovations such as activity-based learning, SBA, and CLCs were timely and appropriate. At project completion, these three innovative practices were well established; had been accepted by the majority of teachers, students and parents; and have become even more relevant to national education

needs. Increased delegation of authority to provincial and zonal education officers and to school principals through SBM was another relevant project initiative. In addition, components that were not fully achieved under the Project remain relevant. These include the program for school improvement, quality assurance and career guidance. Their relevance is illustrated by the Government's commitment to further implementation of these components, and their incorporation in subsequent ADB interventions (see footnote 9).

60. Changes made during implementation provided an appropriate response to unforeseen needs and an efficient use of savings. The changes included additional activities for rehabilitation of 114 schools damaged by floods in 2003, civil works to improve conditions in 54 central colleges and civil works to refurbish 35 schools in Colombo. Savings provided an additional 20,001 stipends for poor children and increased the number of CLCs from 800 to 1,006.

## **B. Effectiveness in Achieving Outcome**

61. The Project was "effective" in achieving its outcome. The Project has been instrumental in modernizing the secondary education system. The successful introduction of innovations under the Project—such as activity-based learning, SBA, and CLCs—was crucial in this respect. In addition, the pilot program on school improvement and the empowerment of schools to run CLCs has modernized the education system. As a result, student achievement has improved, new and improved teaching methodologies have been introduced, and the assessment system has been changed, reducing the focus on ordinary-level and advanced-level examinations. The introduction of CLCs and the stipend scholarship program were highly effective components. Strengthening of the curriculum and upgrading of schools with advanced-level science labs were effective in achieving project outputs. Career guidance activities did not effectively contribute to achieving project outcomes. The Project contributed to an increase in the ordinary-level pass rate from 37% in 2000 to 48% in 2005, and 49% in 2007. The ordinary-level pass rate for students from rural areas stood at 44% in 2005. Nationwide advanced-level pass rates improved from 51% in 2000 to 58% in 2005, and 61% in 2007.

## **C. Efficiency in Achieving Outcome and Outputs**

62. The Project overall is rated "efficient". The establishment of CLCs was found to be highly efficient. CLCs were established within the project period, with the majority generating revenue from after-school activities. CLCs were found to be well utilized, with most schools using them for ICT courses or CAL for other subjects during all school periods, as well as after school hours for computer tutoring. The integration of ICT and CAL in the school curriculum was well established by project completion. The student stipend program was found to be implemented in a highly efficient way. Routing payments through the banking system, rather than through schools, proved to be very efficient. It shifted the administrative burden of payment dissemination to the banks, while it also familiarized students with the banking system.

63. School upgrading, capacity development of NETS and NIE, and strengthening of the curriculum were generally efficient. Science labs were provided and were generally functioning. In some instances, however, the provision of materials and equipment was not matched to the provision or availability of teachers, resulting in a number of unutilized science labs. Capacity development of NETS resulted in the successful introduction of SBA. The partial integration of students' SBA results into ordinary-level and advanced-level evaluations was eventually achieved. The next step will be to adopt a weighted average evaluation of the students. Efficiency of SBA could also be enhanced through computerization of grading and electronic

transmission of results. Capacity development of NIE was conducted efficiently. The software developed to support interactive learning was adopted by teachers, although they also turned to other sources or developed additional materials to supplement the provided materials. Scope remained for improvement in student learning material. Textbook development is to be integrated in curriculum development from 2009 onwards. In-house development of all software by NIE is not likely to be the most efficient and sustainable approach, and cannot reasonably be expected. Strengthening of the curriculum and introduction of the constructivist approach was gradually implemented. Technology courses, environmental studies and ICT curricula were implemented during the project period, while revisions to existing subjects were integrated with the general curriculum cycle.

64. Career guidance, development of PPPs and capacity development of MOE were conducted in a less efficient manner. A PPP study was started but discontinued, but a number of PPP initiatives were developed. SBM met with resistance from various stakeholders, which delayed the implementation and reduced the original scope of the program. At project completion, the SBM program remained in a pilot stage. A career guidance manual was developed, but not translated and distributed to schools. Training received by teachers focused on counseling rather than career guidance. Career guidance remains a priority and will be further developed under EKSP.

65. Comparing economic benefits and costs, the Project was analyzed to determine the economic rate of return (Appendix 11). Using the data and assumptions at project completion, the Project yields an economic internal rate of return (EIRR) of 26%. This is higher than the EIRR computed at appraisal, which was 16% for the base case.<sup>20</sup>

66. The higher EIRR at completion than at appraisal is due in part to the higher wage differentials between (i) ordinary-level and upper secondary school leavers, and (ii) advanced-level and ordinary-level school leavers, respectively. Average salaries for secondary school leavers were lower at completion than assumed at appraisal, while those for ordinary-level and advanced-level school leavers were higher. Pass rates for advanced-level candidates are also higher than assumed at appraisal. In addition, the number of students estimated at appraisal to be sitting at the advanced-level examination was lower than the actual number at completion.

#### **D. Preliminary Assessment of Sustainability**

67. The Project is “likely to be sustainable”. Two key factors contribute to this: government commitment, and the relevance and irreversibility of the initiatives started under the Project. The introduction of ICT, SBA, PSI and other initiatives have determined a direction for the education system that cannot be easily reversed. Changes in curriculum and instructional methods will be sustainable as they are now accepted as an integral part of the teacher education curriculum. However, innovative methods need to be explored to sustain the development of curriculum materials, which has become more resource-intensive with the introduction of CAL. Programs will also need to be developed to sustain the 30% of schools that have limited capacity for income generation to sustain CLC operations when equipment warranties and project support for utility costs end. More importantly, a sustainable long-term strategy or replacement plan for computers needs to be developed in the absence of further external funding. The scholarship program is unlikely to be sustainable as there was no strategic plan to sustain the stipend program beyond project completion.

<sup>20</sup> Substitution of the original assumptions at appraisal in the newly developed spreadsheet yields a baseline EIRR of 19%, slightly higher than the 16% computed at appraisal. This is due to methodological differences.

## E. Impact

68. The Project has substantially and successfully initiated and contributed to several innovations that have had an institutional impact on secondary education. These include the establishment of CLCs, the promotion of interactive learning, and the introduction of SBA.

69. By providing access for disadvantaged students, the Project had a positive impact on poverty. It enhanced access to science education for rural communities and improved retention of disadvantaged students. The Project also contributed to narrowing the urban–rural and gender digital divides through the CLCs. Indirectly, the Project may also have contributed to improvement of the economic environment. Over the project period, the unemployment rate of ordinary-level graduates decreased (from 13.6% in 1999 to 11.5% in 2005), as did that of advanced-level graduates (from 17.9% in 1999 to 13.8% in 2005). Over the same period, public sector employment as percentage of the labor force declined from 14.4% to 13.3%.

70. At appraisal, environmental and resettlement implications were reviewed and no significant adverse impacts were anticipated. No safeguard issues arose during implementation. Construction of science laboratories followed ADB's Environment Policy<sup>21</sup> and school upgrading did not involve any resettlement or land acquisition.

## IV. OVERALL ASSESSMENT AND RECOMMENDATIONS

### A. Overall Assessment

71. The Project is rated “successful” (Appendix 12). The rating is based on separate assessments of each of the 10 subcomponents on four core evaluation criteria, namely, (i) relevance, (ii) effectiveness, (iii) efficiency, and (iv) sustainability, which are then aggregated to produce the overall rating. The project was found to be highly relevant, effective, efficient, and likely to be sustainable. Highly successful subcomponents of the project include the CLCs and PMO. Successful components include curriculum strengthening, school upgrading with science labs, the stipend program, involvement of the private sector in various aspects of the education system, and capacity development of NETS and NIE. Capacity development of MOE and the career guidance program were partly successful.

### B. Lessons

72. **Identification of Champions.** Implementation of the Project has shown that schools that are well managed implement project activities more effectively and efficiently. This strengthens the importance of champions for the success of any new initiative. Champions can be both identified and developed.

73. **Timeframe and sequencing.** Any project that attempts to bring about substantial systemic changes needs to be realistic about the goals and feasible timeframe of these changes. Potential resistance from stakeholders needs to be considered. Of equal importance is due consideration for sequencing and interdependence of each of the project components. As bringing about systemic change is an incremental and time-consuming process, continued assistance is crucial to supporting change sustainably.

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<sup>21</sup> ADB. 2002. *Environment Policy of the Asian Development Bank*. Manila.

74. **Government Ownership.** To bring about and sustain change, government ownership is crucially important. As a result of strong government ownership, many project components remain successful, or remain on the agenda for implementation.

75. **Identification of Priorities and Timely Provision of Assistance.** The Project also illustrates the success of timely provision of resources to support government priorities, which had been correctly identified and prioritized.

76. **Monitoring and Evaluation.** The potential of project activities cannot be maximized without effective monitoring and the commitment of officials trained in monitoring and evaluation.

77. **Procurement.** The first computer procurement experience indicates that bidding documents should always clearly specify instructions and requirements, and that the Government should communicate directly with manufacturers in cases where authenticity or completeness of bidders' submissions is in doubt.

## **C. Recommendations**

### **1. Project Related**

78. **Future Monitoring.** A set of project-specific recommendations has been identified and agreed upon with MOE. The existence of SEMP II, EKSP, the continued functioning of the PMO with the same key staff, and the commitment of MOE and the Government in general to continue to pursue the strategic options initiated under the Project provide a unique opportunity to implement and monitor the recommendations to improve effectiveness of the Project, subsequent projects, and the secondary education system in general.

79. **Further Action or Follow-up.** In total, 27 project-specific recommendations with their respective timeframes have been identified and agreed upon (Appendix 13). Recommendations include streamlining the development of software and other educational materials and the development of learner competencies and standards to enhance the quality of education. Enhanced CAL training should be included in pre-service teacher training, and options to enhance the sustainability of CLCs should be explored.

80. The career guidance program, which is to be taken up under EKSP, should be carefully designed. It is important to recognize that career guidance is fundamentally different from guidance and counseling activities. A dedicated staff and career guidance resource center should be established in every school, providing relevant and high-quality information on career options to students and parents, in partnership with industries.

81. The pilot on Program for School Improvement should be expanded in scope and geographic coverage, which will require further capacity development at the school level. External and internal quality assurance should be strengthened and become a strategic tool in school development and enhancement.

82. The integration of SBA reporting in the Ministry's MIS system should be explored. SBA results should be further integrated in the final results at ordinary and advanced levels and should be used as a strategic tool to guide teachers in identifying strengths and weaknesses of students.

83. **Covenants.** The covenants in the loan and project agreement can be maintained in their existing form. In view of the rationale provided by NETS, the requirement that NETS should become autonomous could have been waived.

84. **Timing of Project Performance Evaluation Report Preparation.** The review for preparing the project performance evaluation report could be undertaken in 2010 or 2011.

## **2. General**

85. The identification and development of champions in implementation needs to be done at the design stage. This will ensure that the project gains momentum and wins over skeptical stakeholders.

86. Realistic timeframes need to be developed and thorough risk assessments to identify potential resistance from key stakeholders need to be conducted. Proper attention also needs to be devoted to the sequencing and interdependence of reform actions to ensure project efficiency.

87. Project objectives, outputs and costing need to be sufficiently detailed from the outset to ensure clear guidelines during implementation.

## PROJECT FRAMEWORK

Design Summary	Performance Measures	Achievements	Assumptions and Risks
<p><b>Goal</b></p> <p>Make Sri Lanka more economically productive and competitive</p>	<ul style="list-style-type: none"> <li>• Unemployment among those with an education reduced from 19% in 1999 to 14% in 2005</li> <li>• Public sector employment to decline from 26% in 1997 to 20% of labor force in 2005</li> </ul>	<ul style="list-style-type: none"> <li>• Unemployment among those with ordinary-level qualifications as a percentage of the labor force reduced from 13.6% in 1999 to 11.5% in 2005; unemployment among those with advanced-level qualifications or above reduced from 17.9% in 1999 to 13.8% in 2005</li> <li>• Public sector employment as a percentage of the labor force declined from 14.4% in 1999 to 13.3% in 2005</li> </ul>	<ul style="list-style-type: none"> <li>• Security situation does not worsen</li> <li>• Socioeconomic development trends continue (a minimum of 6% growth per annum is required to reduce the backlog of unemployed and school graduates)</li> <li>• Stable population growth rate will have an impact</li> </ul>
<p><b>Purpose (Impact)</b></p> <p>Modernize the secondary education system through improved curriculum instruction, school-based assessment (SBA), and school-based management (SBM)</p>	<ul style="list-style-type: none"> <li>• Increase proportion of students that qualify to enter grade 12 to over 50% (from 35%) by 2005</li> <li>• Increase proportion of rural students that qualify to enter grade 12, from 15% to 20% by 2005</li> <li>• Implement SBA and examination reform at NETS by 2005</li> <li>• Implement SBM system in all secondary schools by 2005</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of students that qualify to enter grade 12 increased from 37.0% in 2000 to 47.7% in 2005 and 49.1% in 2007</li> <li>• Ordinary-level pass rate for rural students was 44% in 2005</li> <li>• SBA introduced at ordinary level in 2002 and at advanced level in 2005.</li> <li>• SBM introduced under a national pilot program in 1,495 schools</li> </ul>	<ul style="list-style-type: none"> <li>• Education policy reforms will continue</li> <li>• Resources will be provided to support quality improvements and equal access to quality schools</li> </ul>
<p><b>Components (Outputs)</b></p> <p>(i) Quality of teaching and learning in secondary schools improved</p>	<ul style="list-style-type: none"> <li>• Annually, at least 1,000,000 secondary school students to benefit from improved curricula and teaching methodologies by 2004</li> <li>• At least 800 schools provided computer learning centers (CLCs) by 2004</li> <li>• At least 800 CLC teachers trained by</li> </ul>	<ul style="list-style-type: none"> <li>• Curriculum revision commenced in 2004. Revisions to individual subjects were made prior to that date</li> <li>• CLCs established in 1,006 schools by 2005, and 27 CRCs established.</li> <li>• 23,960 teachers trained on software for CAL</li> </ul>	<ul style="list-style-type: none"> <li>• There is sufficient institutional capacity at MOE</li> <li>• SBA is recognized by teachers and students as important</li> </ul>

Design Summary	Performance Measures	Achievements	Assumptions and Risks
	<p>2004</p> <ul style="list-style-type: none"> <li>• At least 200,000 advanced-level students computer literate by 2004</li> <li>• At least 200,000 ordinary-level students computer literate by 2005</li> <li>• An applied science advanced-level program to be piloted in 30 secondary schools with at least 6,000 students trained annually under the 2-year program by 2004</li> </ul>	<ul style="list-style-type: none"> <li>• 7,500 teachers trained on ICDL</li> <li>• 100 teachers trained to receive IT diplomas</li> <li>• 1,398 principals trained under the e-citizen program</li> <li>• Around 230,000 advanced-level students benefited from CLC classes by 2005</li> <li>• Around 450,000 ordinary-level students benefited from CLC classes by 2005</li> <li>• Technology subjects introduced in 44 pilot schools</li> <li>• A series of 1-day and 3-day science programs in all environmental centers integrated science with environmental studies</li> </ul>	
<p>(ii) Educational opportunities for disadvantaged students provided by widening choice and access to modern curricula, increasing stipends for disadvantaged students, introducing guidance and counseling to raise awareness of educational opportunities, and recommending ways to introduce public–private initiatives in secondary education</p>	<ul style="list-style-type: none"> <li>• Increase the number of upgraded, full-curriculum schools by 100 to accommodate at least 5,000 disadvantaged students per year</li> <li>• Provide and monitor school stipends for 5,000 students per year under the Project to study at existing popular full-curriculum schools</li> <li>• Up to 2,300 trained guidance and counseling teachers</li> <li>• Complete major study recommending policies, financing, organization, and implementation of alternatives for public–private partnership</li> </ul>	<ul style="list-style-type: none"> <li>• 100 schools upgraded to full curriculum schools</li> <li>• In addition, 93 schools provided with ordinary-level science laboratory facilities; 600 schools with advanced-level science equipment; and 1,500 schools with ordinary-level science equipment</li> <li>• 50,001 students (24,850 grade 10 and 25,151 grade 12) provided with stipend</li> <li>• 105 ISAs and 1,068 principals and teachers trained in career guidance and counseling</li> <li>• The Project initiated a PPP pilot project. The study was discontinued due to lack of support from concerned stakeholders. The</li> </ul>	<ul style="list-style-type: none"> <li>• Government is committed to expanding the stipend program for the disadvantaged</li> <li>• Open enrollment policy is accepted by school administrations</li> <li>• Government undertakes studies to recommend public–private partnership policies</li> </ul>

Design Summary	Performance Measures	Achievements	Assumptions and Risks
	(PPP) in secondary schools	project management office (PMO) established a partnership with the private sector in (i) teacher training on computer operations and CAL, and (ii) school software development	
(iii) Management efficiency in secondary education improved through coordination of planning, budgeting, supervision, training, and assessment	<ul style="list-style-type: none"> <li>• Establish MOE coordination to plan, budget, and coordinate secondary schools; operational by 2002</li> <li>• NETS strengthened to accommodate SBA for at least 900 field supervisors and 10 NETS staff to upgrade ordinary- and advanced-level examinations</li>   <li>• Strengthen NIE capacity in curriculum and materials development and training</li>   <li>• Annually, 50,000 students to benefit from the new ordinary-level</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation of the Education Sector Development Framework and Program in MOE.</li> <li>• 69 person-months of international consultancy inputs and 41 person-months of domestic consultancy inputs provided to NETS</li> <li>• Officers trained by provision of 407 person-months of long- and short-term fellowships and/or overseas study visits</li> <li>• SBA Training for 56,020 individuals, comprising 26,217 teachers, 8,395 principals and deputy principals, 5,919 in-service advisors (ISAs), 4,706 officers (provincial, zonal, and divisional), 527 lecturers and teacher trainers, and 313 item writers. A further 9,943 principals, deputy principals and teachers were provided with 1-day special awareness training</li>   <li>• 99.5 person-months of international consultant inputs and 75 person-months of national consultant inputs provided</li> <li>• 8 officers trained by provision of 18.5 person-months of long- and short-term fellowships and/or overseas study visits</li>   <li>• SBA introduced at ordinary-level examinations in 2002</li> </ul>	<ul style="list-style-type: none"> <li>• MOE is committed to rationalizing and monitoring improvements at the secondary school level and evaluating system efficiency</li> </ul>

Design Summary	Performance Measures	Achievements	Assumptions and Risks
	assessment and test administration by 2004	and at advanced-level examinations in 2005	
<p><b>IV. Activities</b></p> <p><b>A. Quality Improvements</b></p> <p>(i) New learning methodologies in core subjects including pilot applied science program in grades 12–13, and technology and environmental field studies in grades 10–13</p>	<ul style="list-style-type: none"> <li>• Language and math program introduced in 2,300 schools (2001–2005) Responsible: NIE</li> <li>• Commerce program introduced in 1,000 schools, 1,000 commerce teachers trained (2002–2004) Responsible: NIE</li> </ul>	<ul style="list-style-type: none"> <li>• Language, math and commerce programs introduced with the introduction of SBA and integrated with the curriculum revision.</li> <li>• Six advanced-level technology subjects introduced in 44 pilot schools</li> <li>• 300 commerce teachers trained</li> </ul>	<ul style="list-style-type: none"> <li>• Exam and training institutes will work harmoniously with MOE</li> <li>• NIE has commitment to train, follow up, and assist language, math, and commerce teachers</li> </ul>
	<ul style="list-style-type: none"> <li>• Applied science programs introduced in 30 schools with upgraded science laboratories, curriculum, and materials developed and procured, and teachers trained (2002–2004) Responsible: NIE</li> <li>• On site environmental field studies in 30 locations (2001–2005) Responsible: MOE</li> </ul>	<ul style="list-style-type: none"> <li>• Six advanced-level technology subjects were piloted in 44 schools. Science programs conducted by NIE and the universities for advanced-level teachers</li> <li>• 36 environmental centers established, 25 of which fully operational, and integrated environmental education programs conducted for students and teachers</li> </ul>	<ul style="list-style-type: none"> <li>• Computer training will be incorporated into curriculum</li> <li>• Computer training centers can provide training to all grade 10– 13 students in each school</li> </ul>
(ii) School computer laboratories	<ul style="list-style-type: none"> <li>• 800 computer laboratories established, teachers trained (2001–2004) Responsible: MOE</li> <li>• 1,000,000 grade 10–13 students trained in computer skills (2001–2005) Responsible: MOE</li> </ul>	<ul style="list-style-type: none"> <li>• 1006 computer learning centers established; teachers trained for CAL, GIT and ICT</li> <li>• Computer skills provided after the establishment of CLCs. Introduction of ICT in grades 10 and 11</li> <li>• Approximately 680,000 students computer literate by 2005, around 220,000 more every year thereafter</li> </ul>	<ul style="list-style-type: none"> <li>• Government is committed to expanding curriculum stream at grades 12–13</li> <li>• New curriculum stream will be included in advanced-level examination system</li> </ul>
<p><b>B. Educational Opportunities for the Disadvantaged</b></p> <p>(i) Upgrade limited-curriculum schools to full-curriculum schools</p>	<ul style="list-style-type: none"> <li>• 100 schools upgraded to full-curriculum schools (2001–2005) Responsible: MOE</li> <li>• Classroom facilities provided, teachers deployed and trained (2001–2005) Responsible: PMO</li> <li>• At least 5,000 students</li> </ul>	<ul style="list-style-type: none"> <li>• 100 advanced-level science laboratories established, with 77 fully operational</li> <li>• 77 schools began advanced-level science stream in the schools</li> <li>• Target achieved with the functioning of the advanced-level science</li> </ul>	<ul style="list-style-type: none"> <li>• Government is committed to supporting expansion of partial- to full-curriculum schools in poor areas</li> </ul>

Design Summary	Performance Measures	Achievements	Assumptions and Risks
	accommodated annually in grades 10- 13 (2001–2005) Responsible: PMO	stream	
(ii) Provide stipends through school grants for disadvantaged students to attend popular schools	<ul style="list-style-type: none"> <li>• 30,000 additional students from poor backgrounds to receive study grants (2001–2004) Responsible: MOE</li> <li>• Open enrollment policy adopted in popular schools (2001–2002) Responsible: MOE</li> </ul>	<ul style="list-style-type: none"> <li>• 50,001 students provided scholarships</li> <li>• Students are free to attend nearby schools in the advanced-level stream of their choosing</li> </ul>	<ul style="list-style-type: none"> <li>• Government will adopt stipend system for “late bloomers” by end of Project</li> <li>• Open enrollment policy will be a condition of schools receiving stipend grant</li> </ul>
(iii) Introduce career guidance program	<ul style="list-style-type: none"> <li>• Career guidance program developed, materials prepared, at least 2,300 teachers trained, and 1,000,000 students impacted (2001–2004) Responsible: NIE</li> </ul>	<ul style="list-style-type: none"> <li>• 1,068 teachers and 105 ISAs trained</li> <li>• Computers provided for career guidance with JobsNet software in schools with CLCs, manual for principals prepared and distributed with posters for publicity</li> </ul>	<ul style="list-style-type: none"> <li>• Government is committed to guidance and counseling and will provide resources to maintain program after project completion</li> </ul>
(iv) Research study on potential savings from introducing private secondary school education	<ul style="list-style-type: none"> <li>• Study completed (2001–2004) Responsible: PMO</li> </ul>	<ul style="list-style-type: none"> <li>• Study was discontinued due to lack of support from concerned stakeholders and government policies</li> </ul>	<ul style="list-style-type: none"> <li>• Government is committed to opening up secondary education to PPPs</li> <li>• Demand-side financing of secondary education is practical and significant</li> </ul>
<b>C. Secondary Education Management Efficiency</b>  (i) Establish secondary education department in MOE	<ul style="list-style-type: none"> <li>• MOE department functioning to coordinate secondary schools (2001–2004) Responsible: MOE</li> <li>• NETS, NIE program monitoring implemented (2001–2003) Responsible: MOE</li> </ul>	<ul style="list-style-type: none"> <li>• The establishment of a secondary education department was not pursued</li> </ul>	<ul style="list-style-type: none"> <li>• MOE, provincial, and local education offices can improve lines of communication through new equipment and budgets</li> </ul>
(ii) Support the NETS programs in school-based assessment and test administration	<ul style="list-style-type: none"> <li>• NETS staff trained to implement the training of secondary school teachers in SBA (2001–2004) Responsible: NETS</li> </ul>	<ul style="list-style-type: none"> <li>• Training conducted through initial training of NETS staff. Four members attended masters’ program overseas. Several short-term study tours arranged to gain firsthand experience</li> </ul>	<ul style="list-style-type: none"> <li>• Government is committed to undertake SBA and able to provide NETS and NIE with the resources to implement the training</li> </ul>
(iii) Support teacher training at the NIE	<ul style="list-style-type: none"> <li>• 5,000 grade 10–13 teachers trained in activity-based methodologies and 800 in computer education;</li> </ul>	<ul style="list-style-type: none"> <li>• Activity-based training for 9,081 teachers was conducted by NIE and provinces. ICT training conducted for 7,500</li> </ul>	

Design Summary	Performance Measures	Achievements	Assumptions and Risks
	<ul style="list-style-type: none"> <li>• 2,300 principals, district education officers, and school development society representatives trained in SBM (2001–2004) Responsible: NIE</li> </ul>	teachers <ul style="list-style-type: none"> <li>• Principals of National School, Navodya Schools, central colleges and eight pilot zone principals trained for PSI for pilot implementation in 1495 schools</li> </ul>	
(iv) Project management office (PMO)	<ul style="list-style-type: none"> <li>• PMO established and functions</li> </ul>	<ul style="list-style-type: none"> <li>• PMO was established and contributed to successful implementation of the Project</li> </ul>	<ul style="list-style-type: none"> <li>• PMO is effectively integrated into MOE</li> </ul>
<b>V. Inputs</b>			<ul style="list-style-type: none"> <li>• Quality improvements can be sustained with limited budgetary expenditure</li> <li>• Computer laboratories and pilot applied science stream are sustainable</li> </ul>
(i) Quality improvements	Total: \$50.0 million International consultants: \$3.0 million Equipment: \$26.0 million Learning materials: \$11.0 million Fellowships: \$3.0 million Training: \$7.0 million		
(ii) Educational opportunities for disadvantaged	Total: \$16.0 million Civil works and equipment: \$12.0 million Stipends: \$4.0 million		<ul style="list-style-type: none"> <li>• Government is committed to reducing poverty through greater school access for rural students</li> </ul>
(iii) Secondary education management efficiency	Total: \$10.0 million Consultants: \$0.5 million Training: \$2.5 million Project management: \$0.3 million Fellowships: \$1.2 million O&M: \$5.5 million		<ul style="list-style-type: none"> <li>• Government is committed to improving the efficiency of secondary education management and supervision</li> </ul>

CAL = computer-assisted learning, CLC = computer learning center, CRC = computer resource center, GIT = general information technology, ICDL = international computer driving license, ICT = information and communication technology, ISA = in-service advisor, IT = information technology, MEHE = Ministry of Education and Higher Education, MOE = Ministry of Education, NETS = National Education Testing Service, NIE = National Institute of Education, O&M = operation and maintenance, PMO = Project Management Office, PPP = public-private partnership, PSI = Program on School Improvement, SBA = school-based assessment, SBM = school-based management.

## PROJECT MONITORING INDICATORS

Indicator	Implementation Year			Achievement at Project Completion
	Year 1	Year 3	Year 5	
<b>1. General Measures</b>				
a. Grade 11 Exam Pass Rate (Male/Female)	36%	42%	50%	47.7% (2005) 49.1% (2007)
b. Grade 13 Exam Pass Rate (Male/Female)	48%	55%	60%	58.2% (2005) 61.3% (2007)
c. School-Based Assessment (SBA)	50% of grades 10-11 teachers trained	Fully operational through grade 11	Fully operational through grade 13	Fully operational throughout grades 10-13
d. Enrollments in Grade 12	150,000	170,000	200,000	Ordinary level graduates increased from 128,000 (2001) to 165,000 (2005)
e. Wait Time to Enter Grade 12	9 months	6 months	4 months	4 months
f. Percentage of Stipend Recipients Passing Grade 11 Exam	-	20%	50%	64.5%
g. Number of Grades 10-13 teachers	40,000	40,000	40,000	Number of Grades 6-11 teachers: 97,105 Number of Grades 12-13 teachers: 19,560
h. Teacher-pupil ratio in Grades 12-13	22	26	28	1:20
<b>2. Specific Measures</b>				
a. DOE/NETS				
i. Staff Appointments (35)	6	26	35	13
ii. New Item Banks for Grade 11 Exam	0%	50%	100%	100%
b. 100 Upgraded Schools with Equipment, Staffing, and Programs Operational	0%	50%	100%	77% 77 schools operational
c. Stipend Program Operational		9,500 students supported at grades 10-11 10,000 students supported at grades 12-13	19,000 students supported at grades 10-11 20,000 students supported at grades 12 and 13	24,850 students supported at grades 10-11 25,151 students supported at grades 12 and 13
d. Percentage Career Guidance and Counselling Centers operational (2,300 schools)	5%	50%	100%	1,173 ISAs, principals and teachers trained
e. Public-Private Sector Participation Program		Small-scale state school/private sector collaborative study completed	Recommendation for extension of collaborative ventures with private sector	Study was discontinued due to lack of support from concerned stakeholders and government policies
f. School-Based Assessment Programs Operational (Grades 10-13)	10%	75%	100%	100%

<b>Indicator</b>	<b>Implementation Year</b>			<b>Achievement at Project Completion</b>
	<b>Year 1</b>	<b>Year 3</b>	<b>Year 5</b>	
g. Environment Education Centers (30) Operational	10%	60%	100%	83% 25 centers operational
h. Computer Learning Centers (800) Operational	10%	65%	100%	126% 1006 centers operational
i. SBM (2,300 Schools) Operational	10%	50%	100%	65% Pilot project in 1495 schools
j. Grades 12-13 Technology Stream Schools (30)	0%	75%	100%	147% Pilot in 44 schools

DOE = Department of Examinations, ISA = in-service advisor, NETS = National Evaluation and Testing Service, SBA = school-based assessment, SBM = school-based management.

Sources: ADB and PMO.

## PROJECT OUTPUTS AT APPRAISAL, REVISION, AND AT COMPLETION

Description	Unit	Planned at Appraisal	Planned Revision	Actual at Completion
<b>A. Improving Education Quality</b>				
<b>1. Curriculum Strengthening in Grades 10–13</b>				
Teacher training in activity-based learning	People	5,000		9,081
Training ISAs and teachers of mathematics	People	2,300		1,540
Training ISAs and teachers of commerce	People	1,000		300
Training ISAs and teachers of sciences	People	2,500		1,741
Training ISAs and teachers of agriculture	People	—		580
Training ISAs and teachers of technology subjects	People	—		780
Training ISAs and teachers of information technology	People	800		300
Civil works multimedia unit rooms	Site	2,500		2,169
Televisions for MMU	Set	2,500		2,169
Overhead projectors	Set	2,500		2,169
Video cassette recorders	Set	2,500		210
Digital video disk players	Set	0		1,959
White boards	Set	—		2,169
Slide projectors	Set	—		210
Audio cassette recorders	Set	12,000		210
Teacher training on MMU	People	15,176	9,940	9,940
Civil works environmental studies field centers	Site	30	36	36
Applied science pilot program	School	30		44
<b>2. Computer Learning Centers</b>				
Civil works new buildings (CLC)	Site	50		50
Civil works existing buildings (CLC)	Site	800	1,000	1,006
Civil works (CRC)	Site	0	27	27
Computers	Set	16,000		18,000
Uninterrupted power supplies	Set	—		17,907
Network switches	Set	—		1,033
Air conditioners	Set	2,000		2,812
Revised syllabus for ICT	Set	1		3
Teacher training on ICT (ICDL certificate)	People	800	—	7,500
Teacher training on CAL	People	—		23,960
e-Citizen program for principals	People	—		1,398
Diploma in ICT for teachers	People	—		100
Students grades 10–13 computer literate	People	1,000,000		680,000
Advanced level students computer literate	People	200,000		230,000
Ordinary level students computer literate	People	200,000		450,000
<b>B. Increasing Access</b>				
<b>1. School Upgrading</b>				
Civil works for ordinary level science labs	Site	—		93
Equipment for ordinary level science laboratories	Set	460		1500
Civil works for advanced level science labs	Site	100		100
Furnishings and Equipment for advanced level science laboratories	Set	100		600
Civil works for flood damaged schools	Site	0	114	114
Civil works for central colleges	Site	0	54	54
Civil works for Western Province schools	Site	0	35	35

Description	Unit	Planned at Appraisal	Planned Revision	Actual at Completion
<b>2. Student Stipends</b>				
Ordinary level scholars	People	10,000	—	24,850
Advance level scholars	People	20,000	—	25,151
Total scholars	People	30,000	50,000	50,001
<b>3. Career Guidance</b>				
ISA, principal and teacher training	People	2,300		1,173
<b>4. Public–Private Partnerships</b>				
Review of legislation	Report	1		0
Study on private partnerships	Report	1		0
<b>C. Efficiency in Management and Supervision</b>				
<b>1. MOE Capacity Development</b>				
Fellowships and/or study visits	PM	101.5		406.7
SBM training	schools	2,300	—	1,495
Consultants – international	PM	28		28
Consultants – domestic	PM	48		57
<b>2. NETS Capacity Development</b>				
Fellowships – long-term	PM	81.0		72.0
Study visits – short-term	PM	36.5		30.1
Consultants – international	PM	72		69.4
Consultants – domestic	PM	51		41
SBA training	People	5,000	—	56,020
<b>3. NIE Capacity Development</b>				
Fellowships and/or study visits	PM	27.0		18.5
Consultants – international	PM	90.0		99.5
Consultants – domestic	PM	84.0		75.0
<b>4. PMO and PPMO Capacity Development</b>				
Fellowships and/or study visits	PM	12.0		12.2
Sedan vehicle	Vehicle	2		2
Passenger van	Vehicle	2		2
Sport utility vehicle	Vehicle	1		1
Double cab pick-up truck	Vehicle	8		8
Domestic Consultants for studies	PM	0	—	14

CAL = computer-assisted learning. CLC = computer learning center, CRC = computer resource center, ICDL = international computer driving license, ICT = information and communication technology, ISA = in-service advisor, MOE = Ministry of Education, MMU = multimedia units, NETS = National Education Testing Service, NIE = National Institute of Education, PM = person-months, PMO = project management office, PPMO = provincial project management office, SBA = school-based assessment, SBM = school-based management.

Sources: Mettananda, D.S. 2005. *Evaluation of the Impact of the Sisusaviya Scholarship Programme*. Ministry of Education, Battaramulla; Jayaweera.S. 2006. *Secondary Education Modernization Project Impact Evaluation Report*. Ministry of Education, Battaramulla; Sumarasekara, H.D. 2007. *Secondary Education Modernization Project Completion Report*. Ministry of Education, Battaramulla; and MOE data.

## DISTRIBUTION OF OUTPUTS BY PROVINCE

Province	Scholarship Recipients	MMU	CLC	CRC	EFC	Advanced Level Science Laboratories	Ordinary Level Science Laboratories and Science Rooms	Rehabilitated Central Colleges	Rehabilitated Schools affected by Floods	Improved Colombo Suburban Schools
Western	3,801	379	210	0	6	19	12	15	0	35
Central	7,157	321	151	3	6	14	11	8	0	0
Southern	5,594	317	131	1	4	13	11	7	65	0
Northern	6,791	110	50	9	5	5	1	4	0	0
Eastern	8,203	183	94	9	1	9	7	2	0	0
North Western	2,880	249	129	1	3	11	15	6	0	0
North Central	6,624	173	67	2	3	9	10	2	0	0
Uva	6,305	198	75	3	3	9	13	3	0	0
Sabaragamuwa	2,646	239	99	0	5	11	12	6	49	0
<b>Total</b>	<b>50,001</b>	<b>2,169</b>	<b>1,006</b>	<b>28</b>	<b>36</b>	<b>100</b>	<b>93</b>	<b>53</b>	<b>114</b>	<b>35</b>

CLC = computer learning center, CRC = computer resource center, EFC = environmental field center, MMU = multimedia unit.  
Source: H.D. Sumarasekara. 2007. *Secondary Education Modernization Project Completion Report*. Ministry of Education, Battaramulla.

## INNOVATIVE FEATURES OF COMPUTER LEARNING CENTERS

1. The provision of the computer learning centers (CLCs) has brought about substantial changes in the teaching methodology and has allowed the expansion of the curriculum to include information technology (IT) as a subject. It has helped to spread IT literacy from urban areas—where private sector-run computer centers were traditionally located—to rural areas. Over the project period, the CLCs have produced more than 500,000 computer-literate school leavers that are equipped with marketable skills.
2. Two innovative features of the CLCs deserve some further attention: the efforts to promote sustainability and SchoolNet.
3. **Computer Learning Center Sustainability.** The provision of computers and air-conditioning units for the CLCs inevitably raised school operating costs, which include the cost of electricity, maintenance and repairs, and internet connectivity. The Project covered these costs for the initial 2 years. Realizing that the absorption of these costs into the general education budget would have substantial financial implications, the project design included features to shift the responsibility of covering the operating costs from the Ministry of Education (MOE) to the schools. Schools were expected to devise strategies to recover operating costs by organizing after-hour computer courses for a fee. A significant milestone in this respect was the issuance of MOE Circular No. 2005/29 dated 30 September 2005, which permitted schools to collect and retain fees for after-hour usage of the computers and to use the money to pay operating costs, rather than having to transfer the funds to the central treasury. This gave the schools a sense of ownership and required principals and teachers to proactively apply management and marketing skills.
4. Various standard training modules were developed by the project management office (PMO) on basic computer literacy, word processing, spreadsheets, internet use, and more industry-oriented courses on personal computer assembly, desktop publishing and computer networking. The target audience of the training differed among the schools. Some schools offered training to students only, while others also targeted parents and the wider community. Few schools reported having developed real marketing strategies with advertisements, but rather relied on word-of-mouth marketing. IT teachers welcomed the initiative, as it provided them with extra income.
5. At project completion, 88% of schools had opened bank accounts and around 70% of schools were reported to be successful in generating revenue. Total CLC earnings as of 31 December 2007 equaled SLRs 32 million, or an average of about \$300 per CLC. Schools reported that these funds were being used to pay utility bills, finance repairs and maintenance, and occasionally to buy small computer equipment such as additional printers or scanners. It was noted that in recent years, competition in the provision of IT classes from commercial providers and other schools had intensified. Strategies were being developed to enhance the attractiveness of courses offered in secondary schools and to assist schools that had difficulties in covering operating costs. These strategies included seeking national vocational qualification or other recognized certification for the courses to enhance the attractiveness and market value of the programs. However, support strategies may need to be developed for schools in weaker areas where the capacity of the community members to pay for these courses is limited.
6. The cost recovery strategy currently does not address the wider issue of computer replacement, which will inevitably arise in the next few years as computer equipment ages and

becomes outdated with respect to market demands. This issue is not limited to Sri Lanka, but rather confronts education systems worldwide.

7. **SchoolNet.** The Project design provided for Internet connectivity for the CLCs once they were fully functioning and sustainable.<sup>1</sup> Rather than letting individual schools take care of their internet connectivity, MOE used the opportunity to exploit economies of scale and established a wide-area network called SchoolNet. SchoolNet connects both the schools equipped with a CLC and other related organizations, such as 90 computer resource centers, 17 national colleges of education, MOE, the National Institute of Education, eight provincial information and communication technology centers and the central and regional project management offices. This resulted in substantial cost savings, standardization of access, and a better bargaining position with respect to the supplier.

8. In addition to network and internet connectivity for each of the institutions, SchoolNet also provides services for learning and teaching through its website (<http://www.schoolnet.lk/>). SchoolNet aims to improve interaction and information exchange between students and teachers from different schools to enhance the teaching and learning environment. Features include webmail for teachers and students, provisions for webpages of individual schools, and voice communication among schools through internet protocol phone.

9. SchoolNet also intends to become a one-stop resource page for schools in Sri Lanka. It currently provides announcements for various school competitions, such as for the annual educational software competition, which has become an important source for tapping software developed at the school level by students and teachers and replicating it for other schools. This approach, in combination with adopting software from various other sources, is a more efficient approach than the centralized in-house development of computer-assisted learning software by NIE. The aim is to make these learning materials available on SchoolNet, facilitating easy access by all schools.

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<sup>1</sup> ADB. 2000. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Democratic Socialist Republic of Sri Lanka for the Secondary Education Modernization Project*. Manila (appendix 3).

## SISUSAVIYA SCHOLARSHIP PROGRAM

1. Although education is in principle free in Sri Lanka, children from disadvantaged families often experience financial difficulties, resulting in higher dropout rates and lower examination pass rates. The scholarship program under the Project intended to identify bright but financially disadvantaged students and assist them financially (by providing a monthly scholarship of SLRs 500 for 10 months per year) to improve school performance. Eligibility criteria to qualify for a scholarship included the educational and co-curricular achievements of the applicant, the family status, and status of the school.

2. At appraisal, the program intended to target about 10,000 ordinary-level and 20,000 advanced-level students. At completion, 50,001 students benefited from a total of 88,492 annual scholarships. A total of \$4.3 million was allocated to the scholarship program. Table A5.1 indicates the breakdown of scholarships by year and grade. It can be noted that dropout from the program was extremely low.

**Table A5.1: Annual Distribution of Scholarships for Each Grade**

Grade	2001	2002	2003	2004	2005	2006	Total
10	0	4,922	4,862	4,867	4,814	5,385	<b>24,850</b>
11	0	0	4,917	4,859	4,865	4,813	<b>19,454</b>
12	0	6,227	6,544	6,279	6,101	0	<b>25,151</b>
13	0	0	6,225	6,539	6,273	0	<b>19,037</b>
<b>Total</b>	<b>0</b>	<b>11,149</b>	<b>22,548</b>	<b>22,544</b>	<b>22,053</b>	<b>10,198</b>	<b>88,492</b>

Total number of scholarships	88,492	Total number of O/L scholars	24,850
Total number of scholars	50,001	Total number of A/L scholars	25,151

A/L = advance level, O/L = ordinary level.

Source: Sumarasekara, H.D. 2007. *Secondary Education Modernization Project Completion Report*. Battaramulla: Ministry of Education.

3. A survey<sup>1</sup> conducted among schools and scholarship recipients indicate that scholarship recipients spent their monthly stipend on payments for tuition classes, purchase of supplementary books and stationary, and travel expenses. Stipend recipients reported that the assistance was effective in helping them continue their studies, attend additional tuition classes, enhance examination results and alleviate family financial constraints.

4. The effectiveness of the program is demonstrated by better school performance of the scholarship recipients compared to the national average. Of the evaluation study respondents to the school questionnaire, 65% passed the ordinary-level exam and qualified for the advanced level, as compared to the national average of 44%. Of those who completed the advanced-level examinations, 58% passed and qualified for university admission. Of those who qualified, 19% achieved university admission. These results exceeded the national average in which 40% of advanced-level candidates qualify for university and about 10% gain admission. Results from the scholarship recipient questionnaire indicate similar above-average performance (Table A5.2).

<sup>1</sup> D.S Mettananda. 2005. *Evaluation of the Impact of the Sisusaviya Scholarship Programme*. Ministry of Education, Battaramulla.

**Table A5.2: Scholarship Recipient Performance on Ordinary-Level and Advanced-Level Examinations (%)**

Item	2002 Scholarship Recipients	School Questionnaire	Scholarship Recipient Questionnaire	National Average
2003 O/L examination	passed O/L and qualified for A/L	64.5	72.7	44.0
2004 A/L examination	passed A/L and qualified for university	58.1	65.7	40.0
	entered university	19.0	26.5	10.0

A/L = advance level, O/L = ordinary level.

Source: Sumarasekara, H.D. 2007. *Secondary Education Modernization Project Completion Report*. Battaramulla: Ministry of Education.

5. In addition to being highly effective, the scholarship program was also implemented in an efficient way. Rather than burdening the school system with the disbursement of scholarships, the Ministry of Education made an agreement with three state banks<sup>2</sup> to channel the funds for the Sisusaviya scholarships through the banks' branch networks and directly to the savings accounts of stipend recipients. This not only shifted the administrative burden of administering and disbursing the funds to the banks, but also exposed the students—many of whom opened their first account for this purpose—to the banking system.

6. It was noted that the original project design intended for the scholarship program to make it possible for disadvantaged students to transfer to upgraded, full-curriculum schools, rather than stay at their local schools. Part of the rationale for the stipend was that travel costs and increased academic stress—possibly requiring tutoring—should be financially compensated. However, this criterion was given a relatively low weight relative to other selection criteria during implementation. Indeed, the policy to encourage students to leave local schools and attend bigger, more popular schools goes against efforts to decongest the popular schools, as attempted by other project components (para. 22 of the main text). It is therefore recommended adding as a selection criterion the intention of students to continue studying in a school nearby their residence and offering the selected program to alleviate congestion of popular schools and strengthen the quality of other schools.

<sup>2</sup> Bank of Ceylon, People's Bank and National Savings Bank.

## PROJECT COSTS BY CATEGORY AND SOURCES OF FUNDING

Category	Appraisal Estimates				Actual Expenditures			
	ADB	NDF	Government	Total	ADB	NDF	Government <sup>a</sup>	Total
Civil Works	9.58	0.00	1.42	11.00	14.34	0.00	2.20	16.54
Equipment and Furniture	23.18	3.00	4.96	31.13	27.89	2.51	4.71	35.12
Instructional Materials	6.94	0.00	0.00	6.94	1.79	0.00	0.07	1.86
Consulting Services	0.00	4.00	0.00	4.00	0.00	3.94	0.00	3.94
Staff Development								
External	1.73	0.00	0.00	1.73	2.25	0.00	0.00	2.25
In-country	2.93	0.00	2.63	5.56	2.57	0.00	1.95	4.52
Surveys and Studies	0.10	0.00	0.00	0.10	0.02	0.00	0.00	0.02
Stipends	4.00	0.00	0.00	4.00	4.27	0.00	0.00	4.27
Incremental Recurrent Cost	0.24	0.00	4.41	4.65	0.62	0.00	0.11	0.73
Taxes and Duties	0.00	0.00	5.58	5.58	0.94	0.00	—	—
Interest Charges	1.31	0.00	0.00	1.31	0.94	0.00	0.00	0.94
<b>Total</b>	<b>50.00</b>	<b>7.00</b>	<b>19.00</b>	<b>76.00</b>	<b>54.70</b>	<b>6.45</b>	<b>9.04</b>	<b>70.19</b>

ADB = Asian Development Bank, NDF = Nordic Development Fund.

<sup>a</sup> Includes taxes and duties.

Sources: ADB, NDF, and PMO.

**DISBURSED AMOUNTS BY CATEGORY AND YEAR**  
(\$ million)

Item	2000			2001			2002			2003			2004			
	ADB	NDF	GOV	Total	ADB	NDF	GOV	Total	ADB	NDF	GOV	Total	ADB	NDF	GOV	Total
Consulting Services	0.00	0.00	0.00	0.00	0.00	0.42	0.00	0.42	0.00	0.90	0.00	0.90	0.00	0.64	0.00	0.64
Civil Works	1.69	0.00	0.00	1.69	0.24	0.00	0.07	0.31	0.69	0.00	0.23	0.92	3.01	0.00	0.53	3.54
Equipment and Furniture	0.20	0.00	0.00	0.20	0.05	0.00	0.02	0.07	0.77	0.00	0.10	0.87	6.94	0.00	1.30	8.24
Instructional Materials	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Printing, Guidance, and Evaluation/ Testing Materials	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.02	0.04	0.00	0.00	0.04	0.16	0.00	0.00	0.16
Overseas Study Visits and Fellowships	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.19	0.43	0.00	0.00	0.43	0.23	0.00	0.00	0.23
Local Training	0.04	0.00	0.00	0.04	0.03	0.00	0.03	0.06	0.03	0.00	0.03	0.06	0.14	0.00	0.13	0.27
Surveys and Studies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stipend Programs	0.09	0.00	0.00	0.09	0.00	0.00	0.00	0.09	0.18	0.00	0.00	0.18	0.34	0.00	0.00	0.34
Grades 10 and 11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.09	1.06	0.00	0.00	1.06
Grades 12 and 13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Project Management Office	0.00	0.00	0.00	0.00	0.01	0.00	0.02	0.03	0.09	0.00	0.01	0.10	0.08	0.00	0.03	0.11
- Incremental Recurrent Costs	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.02	0.03	0.00	0.00	0.03	0.09	0.00	0.00	0.09
Interest Charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>2.01</b>	<b>0.00</b>	<b>0.00</b>	<b>2.01</b>	<b>0.56</b>	<b>0.42</b>	<b>0.14</b>	<b>1.12</b>	<b>2.35</b>	<b>0.90</b>	<b>0.37</b>	<b>3.62</b>	<b>12.06</b>	<b>0.64</b>	<b>1.99</b>	<b>14.69</b>
<b>Annual Projected ADB Disbursements</b>	<b>0.00</b>			<b>1.00</b>				<b>5.00</b>				<b>7.50</b>				<b>10.00</b>

Item	2005			2006			2007			Total			Grand Total			
	ADB	NDF	GOV	Total	ADB	NDF	GOV	Total	ADB	NDF	GOV	Total	ADB	NDF	GOV	Total
Consulting Services	0.00	0.46	0.00	0.46	0.00	1.64	0.00	1.64	0.00	0.00	0.00	0.00	0.00	5.58	0.00	5.58
Civil Works	3.79	0.00	0.61	4.40	1.83	0.00	0.15	1.98	0.00	0.00	0.00	0.00	14.34	0.00	2.21	16.55
Equipment and Furniture	5.51	0.87	0.90	7.28	5.97	0.00	0.55	6.52	0.32	0.00	0.00	0.32	27.89	0.87	4.69	33.46
Instructional Materials	0.21	0.00	0.00	0.21	0.51	0.00	0.06	0.57	0.00	0.00	0.00	0.00	0.87	0.00	0.06	0.93
Printing, Guidance, and Evaluation/ Testing Materials	0.65	0.00	0.01	0.66	0.03	0.00	0.00	0.03	0.03	0.00	0.00	0.03	0.93	0.00	0.01	0.94
Overseas Study Visits and Fellowships	0.49	0.00	0.00	0.49	0.08	0.00	0.00	0.08	0.00	0.00	0.00	0.00	2.25	0.00	0.00	2.25
Local Training	0.74	0.00	0.72	1.46	0.64	0.00	0.22	0.86	0.00	0.00	0.00	0.00	2.57	0.00	1.95	4.52
Surveys and Studies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.02
Stipend Programs	0.93	0.00	0.00	0.93	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.02	2.06	0.00	0.00	2.06
Grades 10 and 11	0.42	0.00	0.00	0.42	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.02	2.21	0.00	0.00	2.21
Grades 12 and 13	0.21	0.00	0.03	0.24	0.09	0.00	0.01	0.10	0.00	0.00	0.00	0.00	0.62	0.00	0.12	0.74
Project Management Office	0.34	0.00	0.00	0.34	0.23	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.94	0.00	0.00	0.94
- Incremental Recurrent Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>13.29</b>	<b>1.33</b>	<b>2.27</b>	<b>16.89</b>	<b>9.39</b>	<b>1.64</b>	<b>0.99</b>	<b>12.02</b>	<b>0.39</b>	<b>0.00</b>	<b>0.00</b>	<b>0.39</b>	<b>54.70</b>	<b>6.45</b>	<b>9.04</b>	<b>70.19</b>
<b>Annual Projected ADB Disbursements</b>	<b>10.00</b>			<b>6.00</b>				<b>0.08</b>								

ADB = Asian Development Bank, NDF = Nordic Development Fund, GOV = Government.

Sources: ADB, NDF, and PMO.

### IMPLEMENTATION SCHEDULE PLANNED COMPARED TO ACTUAL

Activity	2000		2001				2002				2003				2004				2005				2006				
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
A. Curriculum Strengthening																											
1. Development																											
2. Procurement																											
3. Training																											
4. Implementation																											
B. Computer Education																											
1. Development																											
2. Procurement																											
3. Training																											
4. Implementation																											
C. School Upgrading																											
1. Development																											
2. Procurement																											
3. Training																											
4. Implementation																											
D. Stipend Program																											
1. Development																											
2. Procurement																											
3. Training																											
4. Implementation																											
E. Career Guidance																											
1. Development																											
2. Procurement																											
3. Training																											
4. Implementation																											
F. Cost Recovery Study																											
1. Development																											
2. Training																											
3. Implementation																											
G. MEHE Supervision																											
1. Development																											
2. Procurement																											
3. Training																											
4. Implementation																											
H. NETS Programs																											
1. Development																											
2. Procurement																											
3. Training																											
4. Implementation																											
I. NIE Programs																											
1. Development																											
2. Procurement																											
3. Training																											
4. Implementation																											
J. Project Management Office																											
1. Implementation																											
2. Monitoring/Audits																											
3. Consultants' Selection																											

Planned  
 Actual

Sources: ADB and PMO.

## STATUS OF COMPLIANCE WITH LOAN COVENANTS

Project Specific Covenants [Reference in Loan Agreement]	Due Date	Status and Remarks
<b>Sector</b>		
<p>1. Within 3 months after the Effective Date, the Borrower shall ensure that the Commissioner General of Examinations issues a circular to schools providing instruction on the implementation of SBA for grades 10 and 11 students.</p> <p>[Schedule 6, para. 4]</p>	18 March 2001	<b>Complied.</b> Circular issued and SBA introduced in advanced level and ordinary level.
<p>2. The Borrower shall increase the professional staff of NETS by least 32 appointments for SBA, improving test administration efficiency, and examination research and development, as follows: (a) 6 appointments within 3 months after the Effective Date; (b) 4 appointments within 1 year after the Effective Date; (c) 20 appointments within 2 years after the Effective Date; and (d) the remaining number of appointments within 3 years after the Effective Date.</p> <p>[Schedule 6, para. 5]</p>	18 December 2003	<b>Partly complied.</b> NETS staff increased only by 13 staff (26 new staff – 13 departures) due to shortage of suitable staff in the education administration system. Computerization, automation and the introduction of new Research and Development technologies in NETS mitigated the need for additional staff.
<p>3. MOE shall implement the stipend programs provided under the Project under arrangements satisfactory to ADB. MOE shall ensure that the stipends are administered to recipient schools for eligible students in accordance with criteria agreed upon between the Borrower and ADB.</p> <p>[Schedule 6, para. 6]</p>		<b>Complied.</b>
<p>4. Within 2 years after the Effective Date, the Borrower shall enact legislation establishing NETS as an autonomous agency under MOE, responsible for carrying out school-related public examination and certification, and educational testing in examinations on civil service recruitment and from outside agencies.</p> <p>[Schedule 6, para 10]</p>	18 December 2002	<b>Not Complied.</b> The prevailing system was continued by NETS due to: (i) the perception that becoming autonomous would result in the appointment of inexperienced, politically influential board members that would in turn affect the public's trust on the efficiency of the department; (ii) concerns among employees over complete privatization that would deteriorate the original mandate of the department; and (iii) the threat imposed on the present practice of free education if the department would have to source out its own funds to exist.
<p>5. Within 2 years after the Effective Date, the Borrower shall (a) complete a study on cost recovery in secondary education; and (b) based on the findings of this study, recommend a public-private partnership (PPP) model to make secondary education competitive.</p> <p>[Schedule 6, para. 11]</p>	18 December 2002	<b>Partly Complied.</b> Loan covenant on a PPP study for secondary schools not met during the Project period. However, despite the lack of a study, several initiatives to involve the private sector in teacher training for IT and software development were undertaken.
<p>6. Within 2 years after the Effective Date, the Borrower shall ensure that MOE approves a policy to implement career guidance for educational opportunities for students in</p>	18 December 2002	<b>Not Complied.</b> Career guidance policy was not approved. Some career guidance activities were

Project Specific Covenants [Reference in Loan Agreement]	Due Date	Status and Remarks
grades 11 to 13.		implemented, but little progress was made. Career guidance was taken up again by subsequent projects.
[Schedule 6, para. 12]		
7. Within 2 years after the Effective Date, the Borrower shall cause NETS to integrate SBA in grades 10 and 11 with the O level examination certification.	18 December 2002	<b>Complied.</b>
[Schedule 6, para. 13]		
8. Within 4 years after the Effective Date, the Borrower shall cause NETS to integrate SBA in grades 12 and 13 with the A level examination certification.	18 December 2004	<b>Complied late.</b>
[Schedule 6, para. 14]		
9. Within 3 years after the Effective Date, the Borrower shall ensure that MOE implements school-based management through a supervision system in all secondary schools for principals, SDSs, and provincial, district, zonal and divisional education officers.	18 December 2003	<b>Partly Complied.</b> SBM – renamed as Program for School Improvement - is currently at a pilot stage. Nationwide implementation is envisioned for 2010.
[Schedule 6, para. 15]		
10. Within 3 years after the Effective Date, the Borrower shall ensure that MOE offers computer education, with a focus on interactive classroom learning, as an elective subject in grades 12 and 13.	18 December 2003	<b>Complied.</b>
[Schedule 6, para. 16]		
11. Within 4 years after the Effective Date, the Borrower shall raise the compulsory age for education to age 16 (grade 11).	18 December 2004	<b>Complied.</b>
[Schedule 6, para. 18]		
12. Within 4 years after the Effective Date, (a) the Borrower and ADB shall evaluate the impact of the stipend programs provided under the Project on the pass rate for poor students; and (b) the Borrower shall, based on the findings of the evaluation and subject to availability of its resources, fund these stipend programs from its own resources after Project completion.	18 December 2004	<b>Complied.</b> Study was completed.
[Schedule 6, para. 19]		
<b>Environmental</b>		
13. MOE shall ensure that the location, design, construction and operation of the science laboratories to be established under the Project follow ADB's "Environmental Guidelines for Selected Infrastructure Projects."		<b>Complied.</b>
[Schedule 6, para. 20]		
<b>Financial</b>		
14. The Borrower shall establish, immediately upon the Effective Date, an imprest account at the Central Bank of Sri Lanka. The initial amount to be deposited into the imprest account shall not exceed the equivalent of \$2,000,000.		<b>Complied.</b>
[Schedule 3, para. 9]		

Project Specific Covenants [Reference in Loan Agreement]	Due Date	Status and Remarks
15. The Borrower shall allocate in its budget adequate counterpart funds for MOE to carry out the Project in each year of Project implementation.		<b>Complied.</b>
[Schedule 6, para. 3]		
16. The Borrower shall (a) cause the SDSs participating in the Project to contribute adequate funds to carry out the following Project activities: operational expenditure for the multimedia rooms and the CLCs, and furniture for the multimedia rooms; and (b) provide the necessary funds to carry out these Project activities in the event the SDSs concerned are not able to contribute adequate funds.		<b>Complied.</b>
[Schedule 6, para. 17]		
<b>Implementation Matters</b>		
17. <b>Steering Committee.</b> Within 3 months after the Effective Date, the Borrower shall establish an inter-ministerial Steering Committee. The Steering Committee shall be responsible for policy guidance, coordination and implementation of the Project. The Steering Committee shall be chaired by the Secretary, MOE and its other members shall include representatives from MOFP, NETS, NIE, and provincial education departments. The Steering Committee shall meet at least quarterly.	18 March 2001	<b>Partly Complied.</b> Steering Committee was established, but did not meet quarterly.
[Schedule 6, para. 1]		
18. <b>Project Management Office.</b> The Borrower shall ensure that the PMO established under the Project is responsible for day-to-day operations of the Project. The Borrower shall also ensure that the PMO is headed by a full-time Director and that the Project Director is supported by adequate and competent full-time technical and administrative personnel, including, at least, an accountant, a deputy or assistant director, an engineer, an administration officer and a procurement officer.		<b>Complied.</b>
[Schedule 6, para. 2]		
19. <b>Fielding of Consultants.</b> Consultants will be selected and engaged by MOE in accordance with the applicable guidelines of NDF. Terms of reference shall be determined by agreement by NDF, ADB, and the Borrower.		<b>Complied.</b>
[Schedule 5]		
20. MOE shall ensure that the candidates selected for the overseas study tours and fellowships satisfy the criteria agreed upon between the Borrower and ADB. The Borrower shall ensure (i) that the overseas study tours and fellowships are provided to candidates in accordance with arrangements satisfactory to ADB; (ii) that a strict system of selection and bonding is adopted in connection with the overseas study tours and fellowships provided under the Project to ensure that the recipients of the training continue their services in related positions for a reasonable period of time upon completion of their training.		<b>Complied.</b> Overseas study tours and fellowships awarded according to adopted criteria and bonding of officers made according to Administrative Regulations.
[Schedule 6, para. 7]		

Project Specific Covenants [Reference in Loan Agreement]	Due Date	Status and Remarks
<p>21. MOE shall ensure that local training is provided to candidates in accordance with arrangements satisfactory to ADB. MOE shall also ensure that candidates selected for local training satisfy the criteria agreed upon between the Borrower and ADB.</p> <p>[Schedule 6, para. 8]</p>		<b>Complied.</b>
<p>22. The Borrower shall cause the concerned provincial education department, school and SDS to monitor the use of the CLC provided to each school under the Project, under arrangements satisfactory to ADB, including (a) levying a fee for computer usage; (b) depositing the fee into a separate account in the name of the school; and (c) utilizing the funds in this account for school-related activities, including the maintenance and operation of the CLC.</p> <p>[Schedule 6, para. 9]</p>		<b>Complied.</b> Circular No. 2005/29 issued 30 September 2005 by then Secretary of Education, Dr. Tara De Mel allowed schools to levy fees and generate income by opening CLCs for extra curricular use to students and the community. The Circular specifies maximum rates to be charged, accounting and safekeeping of funds and guidelines on use of the funds.
<p>23. During Project implementation, MOE shall carry out BME activities under the Project. Within 2 years after the Effective Date, MOE shall operationalize a monitoring and evaluation system to evaluate beneficiaries, improve management information and assess the impact of the Project on the improvement of secondary schooling. MOE shall carry out the BME activities by using key indicators, including, school enrollments, teacher deployment, examination results, SBA, SBM, SDSs, teacher in-service, computer laboratory and multimedia room supervision, and other indicators agreed upon between the Borrower and ADB.</p> <p>[Schedule 6, para. 21]</p>	18 December 2002	<b>Complied late.</b> BME only in place from January 2005.
<p>24. MOE shall monitor and evaluate the benefits of the Project after completion in accordance with a schedule and terms of reference to be agreed upon between the Borrower and ADB.</p> <p>[Schedule 6, para. 22]</p>		<b>Complied.</b>
<p>25. By 31 December of each year of Project implementation, MOE shall provide ADB with an annual operation plan for the following fiscal year. Each annual operation plan shall include (a) data on the proposed budgetary allocations to secondary education, including certification that the Borrower has allocated adequate resources; (b) status of agreed policy reforms and covenants; (c) fully-costed proposed Project activities for each component with performance targets; and (d) a list of secondary schools to be targeted during the year for upgrading science laboratories and for the establishment of multimedia rooms and CLCs.</p> <p>[Schedule 6, para. 23]</p>		<b>Complied.</b>
<p>26. The Borrower, NDF and ADB shall carry out annual reviews of the Project during Project implementation. The annual reviews shall include an examination of budgetary allocations for the Project, operation and maintenance costs,</p>		<b>Complied.</b>

Project Specific Covenants [Reference in Loan Agreement]	Due Date	Status and Remarks
staffing and other incremental recurrent costs, implementation arrangements and achievements under the Project.		
[Schedule 6, para. 24]		
27. The Borrower shall (i) maintain, or cause to be maintained, 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 each 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 imprest account and statement of expenditures issued under the Project), 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.		<b>Complied.</b>
[Article IV, Section 4.06(b)]		
28. 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.		<b>Complied.</b>
[Article IV, Section 4.07(b)]		
29. 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 this Loan Agreement and the accomplishment of the purposes of the Loan.	30 September 2006	<b>Complied.</b>
[Article IV, Section 4.07(c)]		
30. Procurement. If any substantial amendment of the contract is proposed after its execution, the proposed changes shall be submitted to ADB for prior approval		<b>Complied.</b>

BME = benefit monitoring and evaluation, CLC = computer learning center, IT = information technology, MOFP = Ministry of Finance and Planning, NDF = Nordic Development Fund, NEC = National Education Commission, NETS = National Evaluation Testing Service, NIE = National Institute of Education, PMO = project management office, SBA = school-based assessment, SBM = school-based management, SDS = School Development Society

Notes: Department of Examinations was named as National Evaluation and Testing Service (NETS) in response to the implementation of SEMP.

## ECONOMIC ANALYSIS

1. The overall objective of the Project was to assist the Government in modernizing the secondary school system to prepare youth to compete in the modern global economy. Specifically, the Project aimed at improving the quality of secondary school education to raise the pass rate in national examinations.

2. The major benefit arising from the Project is enabling additional students to successfully complete grade 11 and 13 examinations. Higher educational achievements result in better income opportunities. Hence the major economic benefit from the Project is the increased wage that the additional students who pass the exams earn in the labor market as a result of their higher skill level. The economic analysis uses earnings in a competitive labor market as a proxy for the incremental social benefit. While the earning opportunities increase as students pass higher levels of education, the probability of unemployment in the Sri Lankan labor market also increases for higher levels of education. Ordinary-level and advanced-level unemployment rates are higher than the national average and higher than unemployment for upper secondary education graduates. In 2006, the general unemployment rate in Sri Lanka stood at 6.5%, with below-ordinary-level unemployment at 5.8%, ordinary-level unemployment at 9.9% and advanced-level unemployment at 11.6%. Hence this reduces the benefit stream for higher levels of education. Economic costs include the investment and recurrent costs of the project, net of taxes.

3. Comparing economic benefits and costs, the Project was analyzed to determine the economic rate of return. The economic analysis closely follows the original methodology; however, the original spreadsheet was not available. The basic assumptions were adopted from the original economic analysis (Table A10.1).

**Table A10: Economic Analysis Basic Data at appraisal and completion**

Item	Values and Assumptions at Appraisal	Values and Assumptions at Completion
Exchange Rate	73	100
Wage of laborer with no schooling (SLR)	59,579	48,876
Wage of laborer with upper secondary education (SLR)	77,591 <sup>a</sup>	72,108 <sup>b</sup>
Wage of employed ordinary-level worker (SLR)	105,894 <sup>a</sup>	118,716 <sup>b</sup>
Wage of employed advanced-level worker (SLR)	140,987 <sup>a</sup>	162,456 <sup>b</sup>
Grade 11 completely successful exam pass rate		
Implementation year 1 (and without Project)	37.70%	36.77%
2002	—	41.51%
2003	—	44.01%
2004	—	45.04%
Implementation year 5 and thereafter	50.00%	47.72%
2006	50.00%	48.70%
2007	50.00%	49.14%
Grade 13 exam pass rate		
Implementation year 1 (and without Project)	48.00%	50.52%
2002	—	43.67%
2003	—	44.20%

Item	Values and Assumptions at Appraisal	Values and Assumptions at Completion
2004	—	55.00%
Implementation year 5 and thereafter	60.00%	59.20%
2006	60.00%	60.10%
2007	60.00%	61.30%
Number of students sitting in ordinary-level exams	350,000	343,880 annual average
Average lag before employment	1 year	1 year
Direct cost of advanced-level candidate (SLR)	7,380	7,380
Career length of a successful ordinary-level candidate who does not continue education (17–60)	43 years	43 years
Career length of an advanced-level candidate (19–60)	41 years	41 years

SLR = Sri Lankan rupee.

<sup>a</sup> Households Income and Expenditure Survey, 1995/96, conducted by the Department of Census and Statistics (CPI adjusted).

<sup>b</sup> Household Income and Expenditure Survey 2002 conducted by the Department of Census and Statistics.

Sources: data provided by the Ministry of Education, Household Income and Expenditure Survey, 1995/96 and Household Income and Expenditure Survey 2002.

4. The effect of the project investment in increasing the number of successful ordinary-level and advanced-level candidates was expected to last 7 years following the implementation period, or a total of 12 years. For each cohort (from year 1 through 12 of implementation), the incremental income earned by the additional successful candidates (as a result of the higher pass rates) is taken for their entire working life; for example, an advanced-level candidate is assumed to earn incremental income for a period of 41 years. The income differential is assumed to be constant over the entire working life.

5. The project analysis assumes a 1-year lag between the time an ordinary-level candidate completes the examination and finds employment. Similarly, it is assumed there is a 1-year lag between the time an advanced-level candidate, whether successful or unsuccessful, takes the examination and finds employment.

6. Using the data and assumptions at project completion yields an economic internal rate of return (EIRR) of 25.60%. This is higher than the EIRR computed at appraisal, which was 16% for the base case.<sup>1</sup>

7. The EIRR at completion is higher than at appraisal for a number of reasons. A major factor that contributes to the higher EIRR at project completion is the higher wage differentials between ordinary-level and upper secondary and advanced-level and ordinary-level, respectively. While the average salary for secondary school leavers turns out to be lower, ordinary-level and advanced-level salaries were higher at completion than assumed at appraisal. Pass rates for advanced-level candidates are also higher than assumed at appraisal. The current (and assumed future) pass rate is 61.3%, while the rate predicted at appraisal was 60%. Also, the appraisal estimate for the number of students sitting at the advanced-level examination was lower than the actual number at completion.

<sup>1</sup> Substitution of the original appraisal assumptions in the newly developed spreadsheet yields a baseline EIRR of 19.23%, slightly higher than the 16% computed at appraisal, because of methodological differences.

## PROJECT COMPLETION REPORT RATING

Criterion	Weight (%)	Definition	Rating Description and Value	PCR Rating	PCR Rating Weighted
Relevance	0.2	The consistency of the Project's goal, purpose, and outputs with the Government's development strategy, ADB's lending strategy for the country, and ADB's strategic objectives at the time of approval and evaluation.	Highly Relevant (3) Relevant (2) Partly Relevant (1) Irrelevant (0)	2.7	0.5
Effectiveness	0.3	The achievement of purpose as specified in the policy goals and the physical, financial and institutional objectives adopted at project approval, or as formally modified during implementation.	Highly Effective (3) Effective (2) Less Effective (1) Ineffective (0)	2.1	0.6
Efficiency	0.3	Comparison of the achievement of project purpose with the use of inputs based on implementation performance with consideration of the EIRR or cost effectiveness of the investment.	Highly Efficient (3) Efficient (2) Less Efficient (1) Inefficient (0)	2.0	0.6
Sustainability	0.2	Likelihood that human, institutional, and financial resources are sufficient to support achievement of results and benefits over the economic life of the project.	Most Likely (3) Likely (2) Less Likely (1) Unlikely (0)	1.8	0.4
Overall Assessment (Weighted average of above criteria)	1.0	The overall weighted average of the four criteria. If one of the criteria has a score of 0, the rating to be downgraded to Partly Successful.	Highly Successful (OWA > 2.7) Successful (1.6 < OWA < 2.7) Partly Successful (0.8 < OWA < 1.6) Unsuccessful (OWA is < 0.8)		<b>2.1</b>

ADB = Asian Development Bank, EIRR = economic internal rate of return, OWA = overall weighted average, PCR = project completion report. Source: ADB. 2006. *Guidelines for Preparing Performance Evaluation Reports for Public Sector Operations*. Manila.

## RECOMMENDATIONS

### Component 1: Quality Improvement

#### 1.1 Strengthening Curriculum

Recommendations	Responsible	Suggested Completion
1. Develop education standards to assess learner competencies in key subjects and grades.	NIE	Q3 2011
2. Improve coordination between curriculum development, textbook publication and software development in support of learning.	NIE EPD	Q2 2009
3. Increase partnerships with private sector producers and software developers to ensure products meet international standards.	NIE	Q2 2009
4. School-based software development by teachers should be supported, rewarded and coordinated to acknowledge excellence and further build a large collection of quality subject software.	NIE	Q2 2009
5. Monitoring and feedback mechanisms should be established to fine tune the process of curriculum implementation and use of teaching materials.	NIE	Ongoing

#### 1.2 Computer learning centers

Recommendations	Responsible	Suggested Completion
6. Continue expanding access by providing CLCs to other schools.	MOE	Ongoing
7. Continue in-service CAL training to go beyond basics (stage 1) to more effective CAL applications (stage 2) using CLCs and key champion teachers that have effectively used CAL.	PME	Ongoing
8. Include CAL in pre-service teacher education as an integral part of the curriculum.	NIE NCOEs	Q4 2009
9. Explore options and develop a phased computer replacement program to ensure sustainability of CLC operations.	MOE	Q1 2009
10. Obtain national vocational qualification or other recognized certification for after-hour computer classes to enhance attractiveness of programs.	MOE	Q4 2009

## Component 2: Enhancing access to quality education

### 2.1 School upgrading advanced level science labs

Recommendations	Responsible	Suggested Completion
11. Conduct a review of recipient schools to determine (i) effectiveness of science labs in raising the quality of science education, (ii) student achievement, and (iii) adequacy of equipment to support the curriculum.	MOE	After 1 year of new curriculum.

### 2.2 Student stipends

Recommendations	Responsible	Suggested Completion
12. A long-term strategy is needed to sustain financial assistance programs to children at risk of discontinuing studies due to poverty.	MOE PME	Q4 2011
13. The point system to determine scholarship recipients should include an allocation of additional points if the intention is for students to continue studying in a school near their residence that offers the selected program.	PMO	Q1 2009
14. A review of the monthly stipend awarded for scholarships should be conducted to determine the adequacy of funding, taking inflation into account.	PMO	Q2 2009

### 2.3 Career guidance

Recommendations	Responsible	Suggested Completion
15. There is a need for a dedicated career guidance resource center in each school that provides access to online career resources and local materials, and that establishes a network with local employers.	MOE	Q2 2010
16. At least one person per school should be identified as responsible for career guidance, and developing in-depth and up-to-date knowledge of career options and education programs. In view of resource constraints and different school sizes, this person could be the dedicated school counselor.	Schools	Q2 2010
17. A clear distinction between career guidance and counseling should be made. To ensure increased emphasis on career guidance, a separate unit within MOE and NIE should be established to provide leadership for effective implementation.	MOE NIE	Q1 2009
18. Career guidance should not be limited to ordinary and advanced-level completion years, but start early to inform and guide students regarding education pathways leading to various careers. SBA results are a useful tool in identifying strengths and weaknesses of students.	MOE Schools	Q2 2010
19. Parents should also be involved in career guidance activities.	Schools	Q2 2010

Recommendations	Responsible	Suggested Completion
20. Strong central leadership to develop career guidance guidelines is recommended. Education-industry partnerships in career guidance should be explored.	MOE	Q2 2010

#### 2.4 Public-private partnerships and school finance

Recommendations	Responsible	Suggested Completion
21. There should be continued exploration of partnerships with the private sector in the above areas. To enhance sustainability, the operation of CLCs with the participation of the private sector should be considered.	MOE	Ongoing

### Component 3: Enhancing efficiency

#### 3.1 Capacity Development of MOE

Recommendations	Responsible	Suggested Completion
22. PSI should continue to be pursued, and should include some degree of financial responsibility.	MOE	Q2 2010
23. Further capacity development at the school level is needed to enhance the management capacity of principals.	NIE	Q2 2010

#### 3.2 Capacity Development of NETS

Recommendations	Responsible	Suggested Completion
24. Reporting of SBA results to NETS should be computerized to reduce the burden on teachers. Integration with MIS under EKSP should be considered.	MOE NETS	Q4 2010
25. SBA results should be further integrated in the final result at the ordinary and advanced levels.	NETS	Q4 2010
26. SBA results should be used as a tool to guide teachers in identifying the strengths and weaknesses of students.	MOE schools	Ongoing
27. NETS training should be coordinated and integrated into regular pre-service and in-service teacher training.	MOE NETS NIE	Ongoing

CAL = computer-assisted learning. CLC = computer learning center, EPD = Education Publications Department, MOE = Ministry of Education, NCOE = National College of Education, NETS = National Education Testing Service, NIE = National Institute of Education, PME = provincial ministries of education, PMO = project management office, Q1 = Quarter 1, Q2 = Quarter 2, Q3 = Quarter 3, Q4 = Quarter 4.

Sources: ADB and MOE.