



Validation Report

Reference Number: PCV: MAL 2008-61
Project Number: 29331
Loan Number: 1596-MAL
May 2009

Malaysia: Technical Education Project

Independent Evaluation Department

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
BME	–	benefit monitoring and evaluation
DPD	–	Development and Procurement Division
EA	–	Executing Agency
EMIS	–	education management information system
MOE	–	Ministry of Education
PCC	–	project coordination committee
PCR	–	project completion report
PIU	–	project implementation unit
RRP	–	report and recommendation of the President
STS	–	secondary technical school
SVS	–	secondary vocational school
TA	–	technical assistance
TED	–	Technical Education Department
TEST	–	Technical Education and Skills Training
TVE	–	technical and vocational education
TVEP	–	Technical and Vocational Education Project

Key Words

Asian financial crisis, benefit monitoring and evaluation, education management information system, Malaysia Plans, Project Coordination Committee, project implementation unit, secondary technical school, secondary vocational school, technical and vocational education, Technical Education Department, Technical Education and Skills Training

Director	R. B. Adhikari, Independent Evaluation Division 1, Independent Evaluation Department (IED)
Team leader	S. Hutaserani, Lead Professional (Development Evaluation), IED
Team member	O. Nuestro, Evaluation Officer, Independent Evaluation Division 1, IED

In preparing any evaluation report, or by making any designation of or reference to a particular territory or geographic area in this document, the Independent Evaluation Department does not intend to make any judgments as to the legal or other status of any territory or area.

PROJECT COMPLETION VALIDATION REPORT FORM

A. Basic Project Data		PCR Validation Date:	May 2009	
Project and Loan/ Grant Number:	MAL-1596		Approved	Actual
Project Name:	Technical Education Project	Total Project Costs (\$M):	127.0	102.3
Country:	Malaysia	Loan/Grant (\$M): (SDR equivalent)	40.0	32.9
Sector(s):	Education	Total Cofinancing (\$M):		
ADB Financing (\$M):	OCR: 40.0	Borrower (\$M):	87.0	69.5
		Beneficiaries (\$M):		
Cofinanciers:		Others (\$M):		
Approval Date:	17 Dec 1997	Effectiveness Date:	6 Nov 1998	6 Nov 1998
Signing Date:	28 Aug 1998	Closing Date:	30 June 2003	21 October 2005
Project Officers:	Robert Wihtol Hai Yan Zhai Manju Senapaty	Location (HQ or RM): HQ:	From (yr) 1998	To (yr) 2005
Validator:	Shiva Lohani, Consultant	Director:	R. B. Adhikari, IED1	
Quality Control Reviewer/Peer Reviewer:	Suganya Hutaserani, Lead Professional (Development Evaluation)			

ADB = Asian Development Bank, ADF = Asian Development Fund, HQ = headquarters, OCR = ordinary capital resources, IED = Independent Evaluation Department, PCR = project completion report, RM = resident mission, SDR = special drawing rights.

B. Project Description (Summarized from Report and Recommendation of the President)

(i) Rationale: During the early to mid-1990s, Malaysia's rapid economic growth, continuing expansion of employment, and continuing industrial expansion and restructuring led to a significant shortage of skilled workers. The economy operated in a state of virtually full employment and the labor market was tight. Upgrading and expanding the secondary technical school (STS) system, a key element in the Government's strategy to address qualitative and quantitative skill shortages, was important in order to improve the quality and increase the number of STS graduates going into further education and employment.

(ii) Impact: Improve the quality and expand the capacity of the technical education system in support of increasing the technology intensity and efficiency of production.

(iii) Objectives or Expected Outcomes: (a) improve the quality of technical education, including management, curriculum, and delivery methodologies; (b) strengthen staff development and teacher training; and (c) expand and upgrade technical education facilities and equipment in general, and information technology in particular.

(iv) Components and/or Outputs:

- (a) **Improving technical education management, curriculum, and delivery:** (i) development of new teaching and learning approaches involving contextual learning and the piloting of "smart" STSs using advanced information technology; (ii) development of new curriculum and learning materials; and (iii) management development, including development of capacity and education management information system (EMIS) and benefit monitoring and evaluation (BME).

- (b) **Strengthening staff development and teacher training:** (i) implementation of teacher training programs to enhance pedagogical and technical skills related to new learning approaches; and (ii) provision of management and staff training for principals, administrators, and support staff at the school.
- (c) **Expanding and upgrading technical education facilities and equipment:** (i) establishment of four new STSs offering engineering subjects and piloting the use of smart technology; and (ii) upgrading of 17 secondary vocational schools (SVSs) into STSs and providing them with the physical facilities and equipment to offer technical electives.

C. Evaluation of Design and Implementation (Project Completion Report Assessment and Validation)

(i) **Relevance of Design and Formulation:** The project completion report (PCR) considered the design and formulation of the Project as “*highly relevant*” because it (a) was consistent with the Seventh Malaysia Plan (1996–2000) objective of strengthening the quality and quantity of Malaysia’s technically skilled workforce; (b) assisted the Ministry of Education (MOE) and the Ministry of Higher Education to attain technical and vocational education (TVE)-related targets and priorities; (c) supported the Government’s objective to improve the participation of students, especially females from remote and rural areas; and (d) supported the Asian Development Bank’s (ADB) operational strategy of helping the Government in meeting the projected demand for professional and technical human resources. The weaknesses in project design pointed out by the PCR included (a) lack of identification of certain risks and assumptions that could affect project implementation and the attainment of project objectives, and (b) failure to include objectively verifiable indicators for assessing project progress.

In this PCR validation exercise, although the Validator agrees with the reasons given by the PCR, the Validator rates the Project as “*relevant*,” rather than highly relevant, due to additional weaknesses of project design as follows: (a) weak implementation arrangement, since the inadequately staffed project implementation unit (PIU) was overloaded through the sharing with the Technical and Vocational Education Project (TVEP) and other projects; (b) reliance on support from the TVEP in key activities, such as the implementation of the BME system; and (c) advisory technical assistance (TA) was designed to be implemented by a separate executing agency (EA) with no integration with the loan Project. These factors turned out to constrain project implementation activities.

(ii) **Project Outputs (or Conditions in the Case of Program Loans):** According to the PCR, the Project partially succeeded in improving the quality of technical education despite the decrease in the total project costs. The Project was successful in introducing new contextual learning and implementing some “smart” school pilots in the four STSs. The appraisal target of increasing the physical enrollment capacity by constructing four new smart STSs and upgrading 17 SVSs with physical facilities was achieved, although the construction slowed down during the Asian financial crisis. The delay in construction resulted in delayed piloting of the smart-school concept, which was not completed by the loan closing date. Other key achievements included (a) introduction of an integrated technological approach to curriculum development; (b) revision of the curriculum of eight academic subjects and four elective subjects with more intense contextualization and infusion of the smart-school concept; (c) training of 4,141 staff in technical, pedagogical, and management subjects; (d) establishment of the BME at MOE headquarters with support of the TVEP; and (e) preparation of the Technical Education and Skills Training (TEST) strategic options paper and final reports with policy recommendation under the TA.

The Validator agrees that the evidence available supports the PCR conclusions.

(iii) **Project Cost, Disbursements, Borrower Contribution, and Conformance to Schedule (as Relevant to Project Performance):**

Project Cost. The estimated project cost of \$127 million was reduced by 19.4%, to \$102.3 million, due to the Government’s reduced expenditure during the Asian financial crisis in the late 1990s and inability to meet the counterpart funds. The reduction in the project cost adversely affected the quality of outputs delivered and overall project performance. Due to Government restrictions on international travel, actual expenditures for overseas fellowships decreased by 55% compared to the appraisal estimate. The BME

subcomponent was restructured, and potential applications of the BME to national planning were not fully explored. Only 27% of the budget allocated for research and development was actually spent.

Disbursements, Borrower Contribution, and Conformance to Schedule. At loan closing, disbursement totaled \$32.9 million (82% of the original loan amount of \$40 million). The contribution of the Government of \$69.5 million accounted for 68% of total actual project cost (\$102.3 million). The Project was approved on December 17 1997, became effective on 6 November 1998 (delayed by 10.5 months), and was scheduled to be closed on 30 June 2003. The Project closed on 21 October 2005, 28 months after the scheduled closing date, with two extensions (in June 2003 and June 2004) at the Government's request. According to the PCR, the Project encountered significant implementation delays, mostly in civil works, procurement of equipment, and mobilization of consultancy services and staff development. The reasons for the delay pointed out in the PCR were (a) changes in the implementation of components 1 and 2; (b) cancellation and amalgamation of some subcomponents, which had implications for the quality of outputs delivered, overall project achievement, and sustainability and replication of the pilots; and (c) fiscal constraint caused by the Asian financial crisis.

The Validator agrees with the PCR findings mentioned above. However, an additional reason for the substantial delay not explicitly acknowledged in the PCR was the understaffed PIU, which was overloaded by being shared with other projects.

(iv) Implementation Arrangements, Conditions and Covenants, related Technical Assistance, and Procurement and Consultant Performance:

Implementation Arrangements. The PCR assessed that the MOE adequately fulfilled the role as the EA as envisaged during appraisal since the PIU's project director was also the principal assistant secretary of the MOE's Development and Procurement Division (DPD).

However, the Validator thinks that MOE did not adequately fulfill the EA's role as explained below. Both the PCR and back-to-office reports indicated that project implementation suffered because of the PIU's inadequate and overloaded staff. Despite repeated recommendations of ADB's review missions to fully staff the PIU in order to accelerate implementation progress, the loan covenant relating to operationalizing the PIU (schedule 6, para. 1) was partially complied with, although the PCR indicated that it was complied with. The implications of the partly functioning PIU were (a) poor internal coordination among MOE departments, (b) delay in reporting and getting feedback, and (c) delay in submission of contracts and withdrawal applications.

Conditions and Covenants. The PCR reported that out of the 26 loan covenants, 20 were complied with satisfactorily and 6 were partly complied with. The six covenants that were partly complied with were related to (a) composition of the project coordination committee (PCC) (schedule 6, para. 6), (b) functioning of the PCC (schedule 6, para 3), (c) timely allocation of counterpart funding (schedule 6, para. 11), (d) fielding of consultants (schedule 6, para 1), (e) submission of progress reports (article IV, section 4.07b), and (f) establishment and integration of the BME with the EMIS (schedule 6, para. 6). As a result of the Asian financial crisis, the Borrower was unable to meet the loan covenant relating to counterpart funding. The Project was downsized to finance the foreign exchange cost from the ADB loan.

The Validator agrees with the PCR analysis on the compliance with loan covenants mentioned above.

Technical Assistance. An advisory TA grant of \$500,000, provided between March 1998 and February 1999, helped prepare strategic options paper for the TEST policy and planning. Since some key findings from the TA were included in the preparation of the Eighth Malaysia Plan (2001–2005), the TA completion report assessed the TA as "*generally successful*." The PCR observed that the Eighth Malaysia Plan (2001–2005) did not address some key recommendations related to training, coordination for the TEST, and processes for sustainable TVE.

The Validator agrees with the PCR's observation mentioned above, and thinks that one issue should be raised about the appropriateness of the EA of the TA. Since the TA operated as a stand-alone TA (with the Economic Planning Unit at the Prime Minister's Office serving as the EA), it neither contributed to the

implementation of the Project executed by MOE, nor received support from the Project to implement its recommendations. The implications of noncompliance of the loan covenants relating to the composition and functioning of the PCC had serious implications for the implementation of (a) the TA recommendations with regard to the TEST, and (b) policy dialogue in support of project activities.

Procurement and Consultant Performance. The PCR rated the performance of consultants, contractors, and suppliers as "*satisfactory*" because the consultants provided generally good services in accordance with their terms of reference to the satisfaction of beneficiaries, and most of the contractors and suppliers met the revised delivery schedules. The PCR noted that (a) the scope of international consultants was reduced from 96 person-months to 54 person-months, and the task of international consultants for BME and staff development was assumed by national consultants; and (b) of the 20 civil works contracts, two contracts for SVS upgrade were halted during the Asian financial crisis.

The Validator agrees with the PCR findings mentioned above.

(v) Performance of the Borrower and Executing Agency: The PCR rated the performance of the Borrower and EA as "*satisfactory*" because the PIU, MOE, DPD, and the Public Works Department succeeded in managing the construction and upgrade of the STSs and SVSs despite the fiscal constraints experienced during the Asian financial crisis. The PCR acknowledged that (a) the DPD could have been proactive to ensure that key elements of the BME and research and development were preserved in the Project, and (b) the PCC could have played a proactive role in determination of policy changes envisaged in the Project.

Since the DPD and PCC did not play a leadership role, the Validator rates the performance of the Borrower and EA as "*partly satisfactory*." Furthermore, the implementation of key project components was adversely affected as critical loan covenants relating to the PCC and PIU were partly complied with by the Borrower and EA. Also, the Borrower was not able to provide adequate counterpart funding.

(vi) Performance of the Asian Development Bank: The PCR rated the ADB performance as "*satisfactory*" because (a) the Government and EA were satisfied with ADB's review missions and close relationships with the DPD throughout the implementation, and (b) the frequency of the review missions was also considered adequate.

Considering several weaknesses of the review missions, the Validator rates the ADB performance as "*partly satisfactory*," rather than satisfactory, due to the following: (a) huge delays in project implementation, with the PIU never fully staffed; (b) no initiative to reformulate the Project immediately after the Asian financial crisis which changed key assumptions of the Project (the Project was restructured later in an ad hoc manner with a compromise on important activities such as the BME); and (c) the loan review missions focused more on administrative aspects and quantitative progress, rather than addressing qualitative analysis and policy advice (as mentioned in the EA's PCR).

D. Evaluation of Performance (PCR Assessment and Validation)

(i) Relevance: *Relevant*

As assessed in section C (i), the PCR rated the Project as *highly relevant* because the Project was highly consistent with the priorities of the Seventh Malaysia Plan (1996–2000) and MOE as well as ADB's operational strategy at that time.

However, the Validator rates the Project as *relevant*, rather than highly relevant, because there were many weaknesses in project design, some of which were pointed out in the PCR itself: (a) lack of identification of certain risks and assumptions that could affect project implementation and the attainment of project objectives, and (b) failure to include objectively verifiable indicators for assessing project progress. Other design weaknesses, which constrained or delayed project implementation, included (a) an inadequately staffed Project PIU, which was overloaded through the sharing with the TVEP and other projects; (b) reliance on support from the TVEP in key activities, such as the implementation of the BME system; and (c) advisory TA was designed to be implemented by a separate EA with no integration with the loan Project.

In addition, the lack of identification of certain risks during the design stage made it difficult for the Project to adjust efficiently to the aftermath of the Asian financial crisis. Possible adjustments could include (a) timely re-estimation of the project cost and financing plan in view of the changes in prices; (b) revision of the enrollment targets to reflect the delays in the completion of new and upgraded STSs and SVSs due to the cash flow and labor problems experienced by contractors during the crisis; (c) revision of the forecast of employment growth and labor supply to be consistent with the Eighth Malaysia Plan (2001–2005) which took account of the new economic situation; and (d) provision of adequate support for the implementation of the BME to include tracer studies, analysis of efficiency, and research and development.

(ii) Effectiveness in Achieving Outcomes: *Less Effective*

The PCR rated the effectiveness in achieving outcomes as *less effective* because (a) the critical loan covenants were partly complied with and the Project failed to achieve many outcomes stated in the report and recommendation of the President (RRP); and (b) the Project had partial success in improving the quality of technical education, achieving the objective of strengthening staff development, and completing expansion and upgrade of facilities and equipment in time. Fiscal and supply constraints during the Asian financial crisis explained why the outcome targets for the construction of the STSs and SVSs were missed. Actual enrollment at project completion in 2005 was 46.6% (2,240) of the anticipated enrollment for the four new STSs, and 38.6% (14,898) of the anticipated enrollment in the 17 SVSs. Similarly, the gap between supply and demand for technically qualified workers was not reduced as anticipated at project inception. Although the Project was successful at creating wider acceptance of the contextual learning approaches, learning is still inflexible and highly centralized and not all teachers have applied the concept of contextual learning.

Based on the reasons and information provided by the PCR, the Validator agrees with the PCR rating of the project outcomes as *less effective*.

(iii) Efficiency in Achieving Outcomes and Outputs: *Less Efficient*

The PCR rated the Project as *less efficient* due to a combination of factors. Positive factors included (a) high external efficiency as indicated by enrollment of more STS graduates in higher education and polytechnic institutions, and perception of employers that the technical contents of curricula were relevant to market needs; and (b) quality improvement of technical education was achieved with fewer consultants and at a lower cost than foreseen at appraisal. However, negative factors that reduced efficiency included (a) the Project did not deliver the planned number of graduates to higher education; and (b) project performance in terms of internal efficiency was poor due to underutilization of enrollment capacity (72% for STSs and 73% for SVSs in 2005), leading to increased per graduate unit cost of providing TVE.

Although the RRP and PCR did not carry out economic analysis to estimate the economic internal rate of return, based on the reasons and information provided by the PCR, the Validator agrees with the PCR rating of the Project as *less efficient*. In addition, efficiency was reduced because the Government was not able to provide sufficient counterpart funds or process procurement activities expeditiously.

(iv) Preliminary Assessment of Sustainability: *Likely*

The PCR rated project sustainability as *most likely* because (a) the objectives of the Project aligned with the Ninth Malaysia Plan (2006–2010); (b) the Government made significant contribution in support of TVE in order to support the quality of technical training and skills development; and (c) the macroeconomic situation of the country supported sustainability of the Project.

The Validator rates project sustainability as *likely*, rather than most likely, because despite government commitment to TVE, the Government's budget allocation to this subsector is not increasing and long-term financial sustainability is not certain. For example, the TVE budget shares during 1998 (when the Asian financial crisis started) and 2005 (project completion) declined from (a) 4.1% to 3.2% of the total education budget, (b) 0.80% to 0.46% of the total government budget, and (c) 0.19% to 0.12% of gross national product. The TVE recurrent budget for 2005 (RM480 million) was lower than that in 2002 (RM514 million).

These factors would have adverse effects on the quality and efficiency of TVE. The PCR also did not carry out detailed financial sustainability analysis in order to be certain that there would be no future financial challenge to the Project being considered most likely sustainable.

Other reasons that make the Validator rate the project sustainability as *likely*, rather than most likely, include (a) the increased STS and SVS per graduate unit cost (as the actual enrollment in the new and upgraded STSs was less than the target); and (b) the absence of direct cost recovery for STSs and SVSs and the TVE system, because the Government provides free education up to secondary level with no user fees charged to students.

(v) Impacts (both Intended and Unintended): Modest

The PCR did not rate the impacts of the Project, although it mentioned that the Project succeeded in expanding physical capacity of the TVE system and thus met its intended impacts.

The Validator rates the impacts as *modest* because (a) no unintended impact was observed, and (b) socioeconomic impacts were mixed. For example, gender impact of the Project was positive in that female enrollment in all project STSs increased from 2,954 (25.4%) in 1996 to 7,095 in 2005 (40.6%). Such an increase occurred partly due to gender-sensitive strategies (e.g., provision of dormitories) adopted by the Project. However, impacts in other socioeconomic aspects were not impressive. A sample survey study commissioned by the Technical Education Department (TED) and conducted by the Institute of Strategic and International Studies in 2001 indicated (a) low acceptance of non-Malays (minority groups) in both the technical (14.3% enrollment share out of 799 sample) and vocational (8.3% enrollment share out of 592 sample) streams of the STS system, (b) low representation of rural settlements (39% in the technical stream and 49% in the vocational stream), and (c) low representation of low socioeconomic status groups (38% in the technical stream).

E. Overall Assessment, Lessons, and Recommendations (Validation of PCR Assessment)

(i) Overall Assessment: Partly Successful

Based on the ratings of various criteria assessed in sections D (i)–(iv), the PCR's overall project rating was *successful* (highly relevant, less effective, less efficient, and most likely sustainable), whereas the Validator's overall project rating is "*partly successful*" (relevant, less effective, less efficient, and likely sustainable). The reasons for the downgrading of the overall project rating, due to the downgrading of some of these criteria, have already been discussed in sections D (i)–(iv).

(ii) Lessons:

Lessons identified in the PCR included (a) estimates of labor supply and demand should be treated as indicators of trends rather than as concrete targets; (b) original estimates for project enrollment should be reviewed and adjusted at the time of the midterm review so as to reflect actual, rather than forecast, socioeconomic conditions; and (c) risks and assumptions with regards to project implementation should be clearly outlined.

The Validator agrees with the PCR's lessons mentioned above, and identifies the additional lesson for future projects that advisory TA should be designed to be integrated with the corresponding loan project (e.g., to be implemented by the EA of the loan project) so that its recommendations are undertaken by the loan project.

(iii) Recommendations:

The PCR provided the following project-related recommendations: (a) MOE should play a role in (i) developing an agreed BME mechanism for the overall TVE system, and (ii) institutionalizing regular collection of data using TED's EMIS; (b) the Government should establish a wider-ranging TEST council that can review TEST's future policies and direction, and coordinate planning and implementation; and (c) TED should complete a follow up of the BME study and a tracer study as a part of project performance

evaluation. The PCR provided the following general recommendations: (a) deploy the BME system as a proactive and continuous process, (b) review of upper secondary education by TED, and (c) strengthen student-centered learning by TED.

The Validator agrees with the PCR's recommendations mentioned above.

F. Monitoring and Evaluation Design, Implementation, and Utilization (PCR Assessment and Validation)

(i) Monitoring and Evaluation Design: The RRP included (a) a design and monitoring framework with target indicators (Appendix 1), (b) a framework for the BME (Appendix 18) with outline of areas for data collection, and (c) a loan covenant (schedule 6, para 6) relating to the BME. The PCR pointed out that the design and monitoring framework included in the RRP did not identify objectively verifiable indicators for assessing project progress and made recommendations for developing and updating the BME system.

(ii) Implementation: The Project included the development of the EMIS as one of its subcomponents. According to the PCR, project weakness in the BME implementation was due mainly to the combination of the Project's BME subcomponent with the TVEP. Since the outcomes of the BME surveys and evaluations were mainly associated with the TVEP, data specific to the Project (to monitor and evaluate project achievement) were not generated. For example, reports submitted to ADB did not have information on the qualitative aspects of the training. Other limitations of the BME lay in (a) limited exploration of potential applications of the BME to national policy and planning; (b) lack of effort to interface TED's EMIS with MOE's database; and (c) limited effort by MOE to institutionalize a data collection system based on indicators identified in the studies under the Project or the TVEP.

(iii) Utilization: A computer-based BME application was in place at MOE headquarters and was capable of managing the inputs and monitoring internal and external performance indicators of STS graduates. The PCR pointed out that, since the BME system was not fully utilized (especially by the STSs in decision making), MOE planned to train teachers to enable full adoption of it in the STSs.

The Validator agrees with the PCR assessments of all aspects in this section, and finds that the design, implementation, and utilization of the BME system of the Project were weak.

G. Others (e.g. Safeguards, including Governance and Anticorruption; Fiduciary Aspects; Government Assessment of the Project, as Applicable) (PCR Assessment and Validation): The PCR did not explicitly report problems with regard to safeguards, governance, and anticorruption issues. The validator finds that project implementation suffered from weak procurement and financial management. However, there were no safeguard violations or major unintended consequences.

H. Ratings	PCR	IED Review	Reasons for Disagreements/Comments
Relevance:	Highly Relevant	Relevant	To be rated as <i>highly relevant</i> , the Project should have no major design weaknesses (see design weaknesses in section D [i]).
Effectiveness in Achieving Outcomes:	Less Effective	Less Effective	Agreed
Efficiency in Achieving Outcomes and Outputs:	Less Efficient	Less Efficient	Agreed
Preliminary Assessment of Sustainability:	Most Likely	Likely	To be rated as <i>most likely</i> sustainable, detailed financial sustainability analysis should be provided to illustrate that the shares of government recurrent expenditure allocated to education, and the share of recurrent education expenditure allocated to technical education, are not currently declining and will increase in the future. There should also be a cost recovery scheme for technical education.
Borrower and EA:	Satisfactory	Partly Satisfactory	(i) understaffed PIU until project completion, and (ii) insufficient counterpart funding.
Performance of ADB:	Satisfactory	Partly Satisfactory	(i) huge delays in implementation, with PIU never fully staffed; (ii) insufficient focus of loan review missions on policy advice; and (iii) the Project was restructured on an ad hoc basis after the Asian financial crisis, instead of being reformulated with a revised project framework.
Impacts:	Not Rated	Modest	Mixed results of impacts
Overall Assessment:	Successful	Partly Successful	See all the reasons identified above
Quality of PCR:		Satisfactory	See section I

ADB = Asian Development Bank, EA = executing agency, IED = Independent Evaluation Department, PCR = project completion report, PIU = project implementation unit.

I. Comments on PCR Quality : The PCR is considered *satisfactory* for the following reasons:

- The PCR was well written, concise, and followed the PCR guidelines.
- Given the Project's weak EMIS and inadequate government support in providing sufficient data, the PCR had tried to collect data and information on various indicators on its own to support its analysis (although the data on sustainability prospects are not sufficient to support the PCR's most likely sustainable rating).
- The PCR used whatever data and information it had collected to evaluate the project performance objectively and candidly, particularly in terms of effectiveness and efficiency (which were found by the PCR to be *less effective* and *less efficient*).

J. Recommendation for IED follow-up:

None.

K. Data Sources for Validation: The data sources for this validation exercise include the following: the Project's RRP and PCR, the EA's PCR, back-to-office reports on loan review missions, the consultant's midterm review mission report, and the relevant TA paper and completion report.

REGIONAL DEPARTMENT'S RESPONSE TO THE PROJECT COMPLETION REPORT VALIDATION REPORT

On 8 October 2008, the Independent Evaluation Department (IED) circulated the draft Project Completion Validation Report for interdepartmental comments. IED received comments from the Southeast Asia Department on 10 October 2008. The Social Sectors Division supports the assessment provided in the report.