



Validation Report

Reference Number: PVR-255
Project Number: 40049
Loan Number: 2380
December 2013

Uzbekistan: Rural Basic Education Project

Independent Evaluation Department
Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
DMF	–	design and monitoring framework
FGD	–	focus group discussion
MOF	–	Ministry of Finance
MOPE	–	Ministry of Public Education
NPBED	–	National Program for Basic Education Development
PCR	–	project completion report
PIU	–	project implementation unit
PSC	–	project steering committee
RRP	–	report and recommendation of the President

NOTE

In this report, “\$” refers to US dollars.

Key Words

adb, asian development bank, basic education, chemistry laboratory, community participation, evaluation, learning achievements, *mahalla*, project assessment, project procurement, project validation, rural schools, urban schools, uzbekistan

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PROJECT BASIC DATA

Project Number:	40049	PCR Circulation Date:	Dec 2011	
Loan Number:	2380	PCR Validation Date:	Dec 2013	
Project Name:	Rural Basic Education Project			
Country:	Uzbekistan		Approved (\$ million)	Actual (\$ million)
Sector:	Education	Total Project Costs:	43.00	22.45
ADB Financing: (\$ million)	ADF: 30.00	Loan: (SDR equivalent, million)	30.00	7.40
		Borrower:	19.12	4.76
	OCR: 0.00	Beneficiaries:	13.00	15.05
		Others:	0.00	0.00
Cofinancier:		Total Cofinancing:	0.00	0.00
Approval Date:	6 Dec 2007	Effectiveness Date:	10 Aug 2008	30 Sep 2008
Signing Date:	10 Jun 2008	Closing Date:	30 Jun 2012	24 Oct 2011
Project Officers:	M. Prina R. Narasimham A. Sumbal	Location:	From:	To:
		ADB headquarters	Dec 2007	Jan 2008
		ADB headquarters	Feb 2008	Sep 2008
		ADB headquarters	Oct 2008	Mar 2011
Validator:	K. Hardjanti, Consultant	Peer Reviewer:	H. Son, Principal Evaluation Specialist, IED1	
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ADB = Asian Development Bank, ADF = Asian Development Fund, IED 1 = Independent Evaluation Department Division 1, IED 2 = Independent Evaluation Department Division 2, OCR = ordinary capital resources, PCR = project completion report, SDR = special drawing rights.

I. PROJECT DESCRIPTION

A. Rationale

1. In Uzbekistan, the 2004 comprehensive survey found striking disparities between rural and urban schools in terms of (i) facilities; (ii) allocation and quality of materials, teaching equipment, and furniture; and (iii) allotment of teachers. About 80% of Uzbekistan's 9,773 basic schools were located in rural areas, and were mostly in poor condition. About 70% of schools lacked modern teaching aids and learning materials. But most concerning is that the teaching methods and techniques were inadequate and outdated, particularly in rural schools.

2. The Rural Basic Education Project was expected to improve schooling in rural areas to progress to higher levels of education.¹ The target outcomes were to improve equitable access

¹ ADB. 2007. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Republic of Uzbekistan for the Rural Basic Education Project*. Manila.

and greater relevance of basic education in three rural regions—Tashkent, Surkhandarya, and Kashkadarya. The project was designed to support the government's National Program for Basic Education Development (NPBED) 2004–2009, which aimed to strengthen basic education to remove disparities and meet international education standards. The project is focused on improving the relevance and quality of basic education in the three regions.

B. Expected Impact

3. The expected impact of the project was improved opportunities for children from rural areas to progress to higher levels of education. The project will promote equitable access to quality education among the rural households.

C. Objectives or Expected Outcomes

4. The expected outcome was more equitable access and enhanced quality and relevance of basic education in rural areas of the three project *oblasts* (provinces). These were to be achieved by (i) upgrading school facilities, (ii) enhancing the capacity of teacher training institutions and *raion* (district) education departments to strengthen teaching–learning in rural schools, and (iii) increasing community participation in school affairs.

D. Components and Outputs

5. The project comprised three mutually supportive components to be implemented in the three provinces, as follows: (i) Component 1: Upgrading rural schools through the provision of laboratory equipment, teaching aids, classroom furniture, and reading materials; (ii) Component 2: Developing the professional competence of grades 5–9 teachers in project-supported schools; and (iii) Component 3: Promoting community participation in school affairs.

E. Provision of Inputs

6. The investment cost of the project was estimated at \$43.0 million equivalent, including physical and price contingencies, taxes, and duties. The Asian Development Bank (ADB) provided a loan in special drawing rights equivalent to \$30.0 million from ADB's Special Funds resources to finance 70% of the total project cost. The remaining \$13.0 million equivalent (30%) was to be provided by the Government of Uzbekistan.

7. Due to implementation delays and early closure, the actual total project cost was only \$22.5 million (52% of the estimated cost at appraisal). ADB provided a loan of \$7.4 million and \$15.1 million was provided by the government. At project closure, only 4.8 person-months of international consultants (18% of budgeted inputs), 11.5 person-months of national consultants (16% of budgeted inputs), and 212 person-months of project implementation unit (PIU) (63% of budgeted inputs) were used.

F. Implementation Arrangements

8. The Ministry of Public Education (MOPE), as the executing agency, appointed the project director to coordinate the overall implementation of project activities. A project steering committee (PSC), chaired by the Minister of MOPE, was established. The PSC was responsible for providing strategic guidance and monitoring the implementation of the project. It consisted of eight members including representatives from the MOPE, Ministry of Finance, and

from *mahalla* (a community-based body of citizen self-management) committees and administrations of the three oblasts.

9. The PIU was established under the Education Sector Development Program—an ongoing ADB-supported project at that time. The PIU reported to the project director and was expected to provide quarterly progress reports to the PSC, MOPE, and ADB. The PIU was to work in close coordination with other ADB-funded projects, such as the Second Textbook Development Project and the Information and Communication Technology in Basic Education Project.

10. The project faced a series of problems during implementation. It had a slow start—having been approved in December 2007 and becoming effective in September 2008. Start-up delays impeded its full implementation and when it was finally picking up pace and gaining momentum, it ran into procurement and financial irregularities. The Office of Anticorruption and Integrity of ADB conducted three investigations and identified the problems, after which the government and ADB decided to close the project in January 2011 (PCR, paras. 31, 33, and 34). The project, which was intended to have a full run, lasted for only 58% of its envisaged time. Only \$7.4 million of loan funds (25%) were utilized. The government ended up spending more (\$15.1 million). Due to this unforeseen closure, many legitimate pipeline activities could not be undertaken.

II. EVALUATION OF PERFORMANCE AND RATINGS

A. Relevance of Design and Formulation

11. This validation supports the project completion report's (PCR)² rating of *relevant*. The project design was aligned with the national development priorities, directly responsive to the needs for basic education in rural communities, and consistent with ADB country strategy.³ Quality basic education is one of ADB country strategy's four strategic priorities to promote pro-poor growth. The project design was based on a comprehensive school mapping survey, sector analysis, and stakeholder consultations. The project's main components (i.e., upgrading of physical facilities, teacher training, and community participation) continued to be implemented by the government through the NPBED by using its own resources and funds from other development partners.

B. Effectiveness in Achieving Project Outcomes

12. The PCR rated the project *partly effective*. This rating was based mainly on focus group discussions (FGDs) with beneficiaries as there was no baseline data for chemistry in 2005–2006, which is the only learning subject covered by the project.

13. The PCR simply stated that “During FGDs conducted by the mission, the chemistry and biology teachers reported that the *impact* of laboratory equipment on students' attitude and learning achievement was *significant*. Whereas before the students could only see pictures or listen to their teachers, with the new equipment they were able to have a hands-on experience through experiments. This made the teaching–learning process easier and much more interesting for both the teachers and the students.” The PCR also mentioned that learning achievements improved. The students had higher grades and won more prizes in district and

² ADB. 2011. *Completion Report: Rural Basic Education Sector Project in the Republic of Uzbekistan*. Manila.

³ ADB. 2006. *Country Strategy and Program: Uzbekistan, 2006–2010*. Manila.

regional science competitions. In addition, the project's science laboratory equipment prepared students better for higher levels of education.

14. The 2011 monitoring report of MOPE showed an improvement of 1.3% for the combined average scores in math, chemistry, physics, and native language compared to the results during 2005–2006. The PCR cited that with a little more time and progress in procurements, subsequent target activities could have been achieved within the remaining time period. With an extension to cover the time lost between approval and effectiveness, the PCR commented that the “desired outcomes would have been substantially achieved.”

15. Except for MOPE's 2011 monitoring report, the results mentioned above were only based on discussions and some field observations; hence, the accuracy is debatable. The project never hired the survey firm that was supposed to set up the benchmark data. Therefore, it is difficult to accurately assess the project's effectiveness. This validation's review of project documents, while taking into account the early closure, noted that a number of project targets and/or outputs designed to enhance the quality of basic education were far from being achieved or were not provided, such as the (i) reading materials that were not provided, (ii) only 45% of targeted schools received furniture, (iii) physics laboratories were included in the project design but none was provided, (iv) only 33% of teacher trainers were trained, and (v) only 37% of methodologists were trained. Although these may have been partly caused by the early project closure, long delays at project start-up and implementation, and the integrity issues have negatively affected the project. Based on the combination of all the above findings, this validation also rates the project *less than effective*.

C. Efficiency of Resource Use in Achieving Outputs and Outcomes

16. The PCR gave the project a rating of *less efficient*. The project experienced 9 months of delay in the project start-up and more delays during implementation due to problems with the procurement of goods and services. In October 2010, the government—through MOPE and the Ministry of Finance (MOF)—and ADB decided to close the project on 31 July 2011. Since October 2010, not much was achieved besides the delivery of laboratory equipment and furniture, which was already awarded and was completed in January 2011.

17. The inputs that did not materialize included the hiring of (i) the national training provider for community participation, (ii) the public relations firm for the information and awareness campaign, and (ii) the survey firm for establishing benchmark data. The PCR noted that the lower than estimated use of inputs was mainly caused by implementation-related delays and early closure of the project, which have affected the attainment of project targets. This validation also rates the project *less than efficient*.

D. Preliminary Assessment of Sustainability

18. The justifications of the PCR for the project's rating of *likely sustainable* were as follows: (i) the government is strongly committed to the education sector; (ii) the project's main components (upgrading of physical facilities, teacher training, and community participation) are mainstream activities of the MOPE within the NPBED, which continues to provide the long-term development framework for the basic education subsector; (iii) basic education under the NPBED continues to receive an adequate allocation for the activities supported by the project; (iv) senior MOPE officials assured that the government would be able to provide funding for soft components (e.g., teacher training, community participation, and research), but support to fund capital expenditures (e.g., laboratory equipment, including computers, furniture, and learning

materials) is needed; and (v) the school boards are already in place, are working with school management and other organizations under the umbrella of the family–*mahalla*–school partnership concept, and are engaged in various school-related activities.

19. As stated in para.18, item (iv), funding for capital expenditures is “needed,” indicating the lack of support for this particular component funded by the project. Community participation to enhance basic education (also supported by the project) has been established and is working, albeit, still heavily dependent on the “leadership skills” of the school principal or the school board—a top–down approach, which is usually not strong enough to sustain community participation. With the government’s strong commitment to basic education under the NPBED program, this validation agrees that basic education is *likely sustainable*, however, funding for capital expenditures and the community’s ownership of the community participation concept must be ensured.

E. Impact

20. The PCR did not rate the impact. It noted that the project was closed 11 months earlier than scheduled and a number of planned operations could not be conducted. It is also too soon to assess the impact of the project. Nevertheless, this validation notes that communities in the project areas have become more unified in supporting the schools and their activities, such as mobilizing resources to help the children of poorer families, which could improve completion rate and could contribute to increased enrollment rates (at least at the senior secondary education level). Thus, while there is a potential for significant impact to emerge, for the present, this validation rates the impact *moderate*.

III. OTHER PERFORMANCE ASSESSMENTS

A. Performance of the Borrower and Executing Agency

21. The PCR rated the performance of the borrower and executing agency *partly satisfactory*. The borrower provided \$15.1 million as local counterpart funding, higher than the agreed amount of \$13.0 million. There is a strong commitment to the country’s education sector, including basic education, and this sector continues to enjoy high budget allocations. However, the project experienced many weaknesses during its implementation that included delays in procuring project goods, MOF delays in releasing advance payments, and protracted process of interministerial and interagency approvals and decision making. The PSC, although comprising high-level government officials, was unable to move things forward. The capacity of the PIU in managing and implementing the project was weak. Nevertheless, the project also had some positive outputs and outcomes (paras.13–14). Based on all the above, this validation supports the PCR’s assessment and rates the performance of the borrower and executing agency *less than satisfactory*.

B. Performance of the Asian Development Bank

22. The performance of ADB was given a *satisfactory* rating. The positive elements that support this rating include (i) the regular guidance extended during the inception mission, in two other review missions, and anytime there was a need for advice;⁴ (ii) thoroughly reviewed bid documents and awards to ensure that policies and guidelines were complied with; (iii) some

⁴ The midterm review mission that was originally planned for November 2010 never materialized due to the project’s early closure.

flexibility—within the boundaries of the policies and guidelines—was allowed when necessary, such as approving the request of the executing agency and MOF to use the savings from the furniture budget from the first batch of schools to finance furniture and equipment for up to 23 Children’s Arts and Music schools totaling \$6.3 million;⁵ (iv) demonstrated strong due diligence in determining and processing errors of omission and commission in various project procurement activities, including the international consulting firm’s attempt to defraud the government; and (v) taking effective action by recommending early project closure to the government because the project experienced many procurement errors and the progress was very slow, thus making it difficult to manage effectively and to meet the project’s outputs and outcomes as envisaged. Other weaknesses were also identified, such as (i) the survey during project preparatory phase was not sufficient to grasp the limited capacity of the executing agency in project implementation, and (ii) ADB should have done more to persuade the borrower in setting up good quality baseline data. However, these were outweighed by the positive support described above. This validation rates the performance of ADB *satisfactory*.

C. Others

23. The Office of Anticorruption and Integrity of ADB conducted three investigations on the alleged violations of ADB Anticorruption Policy. As mentioned in paras. 10 and 22, an international consulting firm engaged under component 2 was found to have made deliberate discrepancies in its billings that eventually resulted in the closure of the remaining activities under its contract. In total, four companies and six individuals were sanctioned, thus, prohibiting them from participating in ADB-funded activities.

24. There were no safeguard issues mentioned in the PCR. All civil works under the project were done in accordance with the ADB Environment Policy (2002) and ADB Involuntary Resettlement Policy (1995), as reported in the Status of Compliance with Loan Covenants.

IV. OVERALL ASSESSMENT, LESSONS, AND RATINGS

25. The PCR gave an overall rating of *partly successful*. The project design was and will remain *relevant*, and the government’s commitment is and will continue to be strong. The project showed some success in generating a number of positive outputs and outcomes, but also demonstrated weaknesses, as described in earlier paragraphs.

26. The government and ADB agreed to close the project on 31 July 2011 from its original closing date of 20 June 2012 because of procurement and integrity issues. Therefore, this validation supports the PCR and also rates the project *less than successful* (see table).

Overall Ratings

Criteria	PCR	IED Review	Reason for Disagreement and/or Comments
Relevance	Relevant	Relevant	
Effectiveness in achieving outcome	Partly effective	Less than effective	
Efficiency in achieving outcome and outputs	Less efficient	Less than efficient	

⁵ This change did not happen because of project closure.

Preliminary assessment of sustainability	Likely sustainable	Likely sustainable	
Overall assessment	Partly successful	Less than successful	
Borrower and executing agency	Partly satisfactory	Less than satisfactory	
Performance of ADB	Satisfactory	Satisfactory	
Impact	Not rated	Moderate	Refer to para. 20.
Quality of PCR		Satisfactory	Refer to para. 32.

ADB = Asian Development Bank, IED = Independent Evaluation Department, PCR = project completion report.

Note: From May 2012, IED views the PCR's rating terminology of "partly" or "less" as equivalent to "less than" and uses this terminology for its own rating categories to improve clarity.

Source: ADB Independent Evaluation Department.

A. Lessons

27. The PCR identified a number of lessons related to (i) the positive features of the approach used to select project beneficiaries; (ii) the executing agency's weak capacity for procurement that should have been identified during project preparation; and (iii) the serious implementation difficulties, which were caused by the government's procurement procedures.

28. This validation supports the above lessons but would like to add another crucial lesson. This relates to the baseline data that was missing in the project. The lack of basic data as the benchmark for evaluation has caused difficulties in assessing the project's achievements; hence, the evaluation was mainly based on qualitative data.

B. Recommendations for Follow-Up

29. The PCR presented its recommendations into two categories. Project-related recommendations included (i) future monitoring of learning achievements, activities of school boards, and records of the school boards' bank accounts; (ii) further action or follow-up on full compliance with the project covenants and project outputs; and (iii) additional assistance should be based on priority needs identified by the school boards that have been given the flexibility to identify these needs within certain broad guidelines. General recommendations included (i) design and monitoring framework (DMF) should have a more prominent role—there was no attention to the details, particularly on the performance indicators, which are crucial in assessing the project's achievements; and (ii) on liquidation procedures for small amounts—a simpler procedure to facilitate efficient project closing would be to either write off amounts below a certain threshold or charge those amounts against the loan account as disbursements.

30. This validation adds another recommendation on community participation to ensure sustainability. The project supported community participation to enhance basic education, which was already established and working. However, it was still dependent on a top-down approach (para. 19). Therefore, it is necessary to maintain project assets, continue showing good results, and to communicate with and disseminate information to the community on the importance of quality basic education.

V. OTHER CONSIDERATIONS AND FOLLOW-UP

A. Monitoring and Evaluation Design, Implementation, and Utilization

31. ADB fielded 1 inception mission, 2 review missions, and 1 PCR mission. The missions were useful in helping to resolve the problems faced during implementation. A planned midterm review mission did not take place due to the early project closure. Both the report and recommendation of the President (RRP) and PCR included a detailed DMF for project implementation in Appendix 1. It was noted in the DMF of the RRP that data sources and reporting mechanism would be derived from the results of the baseline survey and annual monitoring reports. However, the baseline survey, which was very important for monitoring and evaluation, was not undertaken. Project implementation was slow, with a number of bottlenecks, especially related to procurement issues. In terms of monitoring and evaluation, this validation rates the project *less than satisfactory*.

B. Comments on Project Completion Report Quality

32. The PCR examined and evaluated all the components and subcomponents of the project against their achievements, their failures, and the issues faced. It also assessed the performances of the borrower, the executing agency, and ADB. When needed and available, its assessments were supported by detailed facts and figures. As baseline data was not available or very limited, the PCR mainly presented qualitative data and supplemented its findings from the FGDs with project beneficiaries. This validation rates the PCR quality *satisfactory*.

C. Data Sources for Validation

33. Sources for this validation were from the project's RRP, PCR, and back-to-office reports of loan review missions dated 4 June 2010, 4 July 2010, 17 August 2010, and 21 November 2011.

D. Recommendation for Independent Evaluation Department Follow-Up

34. No recommendation is presented.