Validation Report
August 2017

Cambodia: Strengthening Technical and Vocational Education and Training Project

Reference Number: PVR-505
Project Number: 40555
Grant Number: 0178
ABBREVIATIONS

ADB – Asian Development Bank
CBT – competence-based training
DGTVE – Directorate General of Technical and Vocational Education and Training
GAP – gender action plan
IED – Independent Evaluation Department
M&E – monitoring and evaluation
NSDP – National Strategic Development Plan
PCR – project completion report
PTC – provincial training center
PVR – project validation report
RTC – regional training center
STVET – Strengthening Technical and Vocational Education and Training
TA – technical assistance
TVET – technical and vocational education and training
TVETSDP – Technical and Vocational Education and Training Sector Development Program
VSTP – voucher skills training program

NOTE

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

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**PROJECT BASIC DATA**

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<td>W. Kolkma, IETC</td>
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<td>H. Son, Principal Evaluation Specialist, IETC*</td>
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ADB = Asian Development Bank; ADF = Asian Development Fund; IETC = Thematic and Country Division of the Independent Evaluation Department; OCR = ordinary capital resources; PCR = project completion report.

*Team members: B. Graham (Senior Evaluation Specialist), M. Dimayuga (Senior Evaluation Officer), P. Christensen (Consultant).

### I. PROJECT DESCRIPTION

#### A. Rationale

1. The 2008 global financial crisis impacted Cambodia and caused increased unemployment especially among unskilled workers in the garment and construction sectors, and many laid-off workers migrated back to rural areas. In addition, the crisis put severe pressure on the Government of Cambodia's budget, reducing both tax and non-tax revenues, undermining its ability to undertake a counter-cyclical fiscally expansionary response and to fund the National Strategic Development Plan (NSDP), 2006–2010. The NSDP emphasized human resource development, including promotion of vocational and skills training to help both men and women respond to labor market needs.

2. Against this background, the government sought financial and technical assistance (TA) from the Asian Development Bank (ADB) in addressing the need for improving the employability of the rural population affected by the crisis. The existing technical vocational and educational training (TVET) did not meet the needed improved basic and mid-level skills in the formal and
informal sectors of the economy. Lack of access to formal training on a national basis, weak links with industry, lack of entrepreneurial focus, poor quality control, and inadequate institutional financing were identified as limiting factors affecting the quantity and quality of technical and vocational education and training (TVET) system.¹

3. Consequently, the government and ADB agreed on an intervention to support efforts to improve the TVET system, as articulated in this project, Strengthening Technical and Vocational Education and Training (STVET). The STVET project aimed to have an expanded, employment-ready, mid-level workforce in rural areas by providing an enterprise-endorsed, public TVET system that is better aligned with the basic and mid-level skills requirements of the formal and informal economies in three industrial sectors—mechanics, construction, and business services and information and communication technology—by 2015.²

4. The project’s financing modality was a sector grant justified due to severe fiscal imbalance caused by the financial crisis and the consequent challenges in mobilizing domestic resources for pursuing much needed investments in the sector. This modality also underpinned the government’s wider efforts to pursue a counter-cyclical fiscal policy.

B. Expected Impacts, Outcomes, and Outputs

5. At appraisal, the main expected impact was to expand the employment-ready, national mid-level workforce by 2020. The expected outcome was an expanded and integrated training system endorsed by the industry and better aligned with the basic and mid-level skills requirements in the three industry sectors.

6. The STVET project had three outputs. First, formal training programs that were more industry-relevant; second, expanded and better quality nonformal training; and third, strengthened institutional capacity to plan and manage TVET.

7. The impact, outcome, and outputs detailed in the design and monitoring framework (DMF) at appraisal remained the same through implementation with no revision at midterm review.³

C. Provision of Inputs

8. The STVET project was approved on 13 November 2009, and the grant agreement was signed on 27 December 2009. The project was declared effective on 26 February 2010, with first disbursement in 9 July 2010. It was closed in 31 July 2015 with no significant deviation in the approval, effectiveness, and closing dates as planned and implemented, implying robust adherence to agreed schedules.

9. The overall budget was $27.5 million, with ADB providing $24.5 million as a grant and the government providing $3.0 million as government contribution. Essentially, the entire grant was disbursed at project closure, with actual government contribution amounting to $2.6 million. Most expenditure items were reasonably adhered to, based on actual disbursement figures (refer to the following table).

³ The PCR indicated that an updated DMF was made and reproduced such in the report (p. 16). However, the only update is a slight change in wording, maintaining the impacts, outcomes, outputs, and targets as the original DMF.
### Project Cost of Cambodia’s Strengthening Technical and Vocational Education and Training ($’000)

<table>
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<tr>
<th>Budget and Actual Use</th>
<th>In RRP</th>
<th>Actual</th>
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<tbody>
<tr>
<td>Civil works</td>
<td>3,033</td>
<td>6,162</td>
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<tr>
<td>Machinery and equipment</td>
<td>4,030</td>
<td>4,514</td>
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<tr>
<td>Learning materials packages</td>
<td>240</td>
<td>169</td>
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<tr>
<td>Training</td>
<td>1,794</td>
<td>1,533</td>
</tr>
<tr>
<td>Consultants</td>
<td>4,108</td>
<td>4,089</td>
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<tr>
<td>VSTP and urban training centers</td>
<td>6,238</td>
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<td>Surveys and studies</td>
<td>360</td>
<td>395</td>
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<td>Taxes and duties</td>
<td>1,476</td>
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<td>Subtotal</td>
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<td>Total base cost</td>
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<td>Contingencies</td>
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<td><strong>Total project cost</strong></td>
<td><strong>27,520</strong></td>
<td><strong>26,513</strong></td>
</tr>
</tbody>
</table>

RRP = report and recommendation of the President, VSTP = voucher skills training program.

Sources: Project document

10. Civil works deviated significantly from the budget due to construction of regional training centers (RTCs). The original design was a two-storey building but additional floors for dormitories were added due to space constraints. New dormitories (not in the original plan) were also built for the five provincial training centers (PTCs) offering certificate courses.

11. ADB provided a TA (Japan Special Fund) which was generally well-received and sparked interest from both the government and the industry, potentially making the design more relevant (footnote 2).

12. The STVET project implementation relied largely on consultants with initial recruitment taking place as planned. At appraisal, there were 11 international (160 person-months) and 12 national (440 person-months) positions. Actual consulting inputs were 18 international (213 person-months) and 13 national (423 person-months) positions. Several replacements were made particularly for international consultants due to a variety of reasons, including varying quality, availability, and health issues.\(^4\) New positions were also created to allow for fielding specialists in information and communication technology, social marketing, nonformal entrepreneurial skills, TVET qualifications, and finance. The recruited firm accounted for the majority of the consultancy budget. In addition, the STVET project had other consultancies relating to policy studies, impact evaluation, regional training, and study tours, and these were recruited through consultants’ qualifications selection. There were delays in recruiting the sole study tour and four regional training packages, partly due to inappropriate budgeting.\(^5\) According to the project completion report (PCR), these delays and resulting time constraints necessitated a shortened regional training package.

### D. Implementation Arrangements

13. The Secretary of State of the Ministry of Labor and Vocational Training (executing agency) was appointed as project director. As project coordinator, the director of the Directorate General of Technical and Vocational Education and Training (DGTVE) (implementing agency) headed

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\(^4\) There was frequent turnover of gender specialists. See midterm review report from 2013 and the Strengthening Technical and Vocational Education and Training Special Administrative Review in March 2012.

\(^5\) ADB. Aide-Mémoire from the 2015 project review. Unpublished.
the project coordination unit, which comprised the procurement, finance, monitoring and evaluation (M&E), and technical teams. SMEC Ltd. was responsible for day-to-day management and implementation of the project including significant fiduciary tasks. These project arrangements were outlined in the report and recommendation of the President (RRP) and remained largely unchanged throughout implementation.

14. The STVET project also aimed to embed industry involvement by transforming three industry advisory groups into sector skills councils that would inform and engage in the development of the training packages. However, this did not fully materialize and the engagement of the advisory groups was below expectations due to insufficient project payments (top-ups) for their participation. The PCR notes that industry advisory group members were not compensated for their work.

15. Of the 28 covenants outlined in the RRP, the government complied with most but crucially failed to comply with the requirement to continue funding the voucher skills training program (VSTP) in each province once project support ended. This could jeopardize sustainability although the follow-up ADB-financed project may fill the gap. The RRP also mentioned the risk that accelerated decentralization and deconcentration could lead to major changes in policy making and governance of TVET during the project period. To mitigate these risks, the project would (i) inform key stakeholders at the national level through the national training board and at the subnational level through the provincial training boards, and (ii) build on lessons learned and existing arrangements for implementing demand-driven community-based skills training through commune councils. In the end, these risks did not undermine the STVET project to any material extent.

II. EVALUATION OF PERFORMANCE AND RATINGS

A. Relevance of Design and Formulation

16. The PCR rated the STVET project highly relevant due to its alignment with ADB and government policies and its aim of providing educational opportunities for dropouts and unemployed. Clearly, the project was relevant as a short- to medium-term response to the financial crisis. In the long term, it is appropriate in responding to the challenges of improving labor market outcomes in a growing economy by giving previously excluded and under-educated youth opportunities to gain useful employment. It also made good, although unfinished, progress in making the TVET more relevant and responsive to the needs of the employers in the three industry sectors. In this context, the introduction of the competence-based training (CBT) approach played a crucial role in improving the students’ competencies for meeting industry specific skill standards. This was a relevant curricular innovation in Cambodia that also underpinned attempts to strengthen the government’s capacity to formulate and execute TVET policy, further bolstering relevance. In the wider macroeconomic context, the grant-based nature of the support to TVET was clearly relevant vis-à-vis the government’s need to pursue a counter-cyclical fiscal policy despite budgetary constraints.

17. The three core outputs of the STVET project continued to be relevant in the Cambodia context. Most activities were also relevant to boost enrollment, improve quality, and enhance employability through the construction or rehabilitation of training facilities, convening of industry representatives, and capacity development of policy makers, planners, and teachers.

18. The STVET project also had a strong gender focus, which at strategic level was highly relevant. Girls and women continue to be underrepresented in the TVET system. There is still
significant gender stereotyping at the TVET level. Women enrolled in TVET are fewer compared
with men due to a number of factors including the concentration of women in traditional women
occupations and the lack of non-traditional TVET training opportunities. The global economic
crisis exacerbated these problems given its significant impact on sectors which employed
disproportionate numbers of women in Cambodia. The strong gender focus resulted in a gender
and ethnic minorities analysis and action plan that contained some repetitive gender measures
and was subsequently streamlined to a gender action plan (GAP). The GAP was more closely
aligned with the project outcome and outputs that improved both the project’s relevance.\(^6\)

19. Related to relevance is the focus on dormitories, which were expanded during
implementation. Five additional dormitories were constructed for PTCs whereas the design was
only for the RTCs. Dormitories, which will give women and girls access to education and training,
are often coming from donors, while the government is more ambivalent about this. The Ministry
of Education, Youth, and Sports was reluctant, while the project’s executing agency was more
positive. But the STVET experience has been mixed with dormitory environments that offered a
poor-quality environment for women. It is also unclear if the Ministry of Labor and Vocational
Training is best placed to construct and manage dormitories (footnote 2). These general concerns
also materialized in the case of the STVET project, where dormitories constructed offered poor
living conditions with uncertain effects in terms of promoting women’s enrollment and cost-
effectiveness (footnote 2). The relevance of emphasizing the construction of new buildings and
training facilities, when existing ones were being underutilized, is also questionable—a more
general point that is also related to the specific issue of dormitory construction (footnote 2). Hence,
support for construction is best coupled with more systemic reforms to better utilize existing
capacity and to achieve the desired outcomes more cost effectively.

20. Finally, the relevance of the targets and indicators in the DMF in terms of measuring
outcomes, outputs, and impacts was mixed. Many of the targets and indicators were at the output
level and based on simple before-and-after comparison, and did not effectively capture the
project’s intended outcome and impact (see also section on effectiveness). On this basis, the
project validation report (PVR) finds the STVET project relevant.

B. Effectiveness in Achieving Project Outcomes and Outputs

21. The PCR assessed the STVET project effective arguing that most quantitative targets at
the outcome level were reached, in particular concerning enrollment, where the STVET project
mostly overachieved. Underpinning the outcomes was a number of outputs.

22. These outputs were supposed to be mutually supportive and sought to promote a virtuous
circle of increasing employment of low-skilled men and women. The proposals outlined at
appraisal included a broad range of activities including

   (i) upgrading five PTCs to RTCs;
   (ii) developing training modules based on skills standards and train trainers;
   (iii) increasing industry involvement in reviewing standards, endorsement, and
        ongoing assistance in curriculum, training development, and assessment
        procedures;
   (iv) strengthening the National Technical Training Institute for system upgrading
        enabling it to develop skills standards, curriculum and training materials, and TVET
        teacher training;

(v) establishing PTCs in unserved provinces for nonformal training;
(vi) extending VSTP to all provinces by piloting the development and delivery of nonformal, community-responsive training;
(vii) strengthening the management capacity of the PTCs by training the directors and staff;
(viii) upgrading the training on skills standards in the PTCs by training PTC instructors and providing equipment;
(ix) increasing accessibility to structured skills training and systematizing nonformal training by introducing pathways to higher levels of training within the nonformal system;
(x) improving TVET system planning and management capacity by senior-level study tours and training;
(xi) improving TVET information systems by developing a vocational education and training management information system and a labor market information system to provide essential data on the training system and the skill requirements of industry;
(xii) developing and implementing skills standards in partnership with industry leading to the agreement of a national vocational qualification framework by project end; and
(xiii) introducing career information system that would develop and distribute career guidance materials for schools, and develop a web portal for dissemination of career guidance information.

23. The STVET project achieved and exceeded most of the quantitative outputs on time, which in many ways was impressive given the problematic start-phase. However, there were also challenges in some of the more qualitative ones. Most notably, the STVET project made limited progress in providing a pathway from the nonformal to formal training systems and on only introducing CBT into training institutions quite late and not to the extent as envisaged. Utilization and management of both training centers and equipment were suboptimal at project end undermining output 7 (footnote 2).

24. Key success indicators to be reached by 2015 included (i) a 20% increase in enrollment in the three sectors; (ii) a 25% increase in the number of graduates from formal programs in the three sectors; (iii) a 400% increase in national access to nonformal, basic skills training programs requested by communities; (iv) a 20% increase in the number of women graduating from formal courses in RTCs and polytechnics or institutes; (v) at least 50% of all participants in the nonformal VSTP to be women; (vi) 40% of nonformal VSTP training to be enterprise- or center-based; and (vii) 40% of graduates from enterprise- and center-based VSTP training to be placed in full-time employment or self-employment.

25. The STVET project achieved most of the indicators of its intended outcome. Thus, the number of students enrolled in certificate and diploma programs increased by 26% against a target of 20%. Similarly, the number of graduates with formal TVET qualifications increased 17% from 2,137 in 2009 to 2,493 in 2015, and would likely reach 29% by academic year 2015–2016, exceeding the appraisal target of 25%. Nevertheless, the GAP’s implementation was compromised by poor quality and frequent turnover of international gender specialist consultants (footnote 1). As a result, the successor project will aim to rectify the weaknesses of the GAP by pilot outsourcing dormitory management and operations, and providing career mentorship programs, among others.
26. The STVET project also achieved 75% of its gender-related targets. It managed to increase the number of women graduates with formal TVET qualifications by 22.7% (against target of 20%) with women comprising 46% of total graduates. Moreover, the number of women benefiting from nonformal VSTP programs also rose to 60% (against a target of 50%), while overall enrolled women increased almost fourfold (also hitting the target).

27. A key outcome indicator of the STVET project was the project’s ability to get graduates from training into jobs. On this measure, it vastly exceeded the targets set out at appraisal. Thus, against a target of 40% of graduates from the VSTP becoming either full-time wage employed or self-employed, the STVET project exceeded 70%. However, what the RRP, PCR, and the midterm review fail to do is to put that into a wider labor market context. Cambodia has a high labor market participation rate of 83% and an unemployment rate of only 2.3% in 2013. The reason for the low unemployment rate is that many are forced to engage in low-productive and low-paying self-employment, such as semi-subsistence agriculture, petty trading, and handicraft production. Against this background, an unemployment rate of the STVET project graduates of more than 25% (which includes self-employed) is less impressive than the comparison with the RRP targets would suggest. Moreover, less than half of the graduates entered wage employment, which typically provides better quality jobs than self-employed ones. Obviously, the unemployment rate among graduates is likely to fall as time goes by, so a follow-up tracer study might be needed to determine long-term employment impact.

28. Finally, there have been limited efforts invested in tracking less tangible outcomes and impacts such as the contribution of the STVET project to increase productivity of the workforce, in particular agricultural productivity as well as the employer satisfaction with the graduates. The tracer study of graduates points to improvements in income and employment compared to before they entered the training program. Clearly, Cambodia has had high growth rates (over 6%) and falling poverty throughout the project period, but a better approach to measuring income and employment impact would have been to have a comparison ground (preferably using a randomized controlled trial approach) or, in the absence, at least benchmark against relevant local indicators (e.g., changes in income and employment levels in the area of the PTC or RTC). On the other hand, there are indications that the STVET project helped develop an industry-endorsed TVET system and that it is now better aligned with the skills requirements of the formal and informal economies, a key outcome of the project although not analyzed in much detail. However, the related outcome of developing replicable models for transforming the system so it becomes more relevant to industry has yet to materialize. This is partly due to delayed adoption of competence-based training profiles and partly due to limited industry engagement, which is also a key objective of the STVET successor project. In sum, this validation considers the STVET project effective in meeting most of the rather easily achieved quantitative outcomes and outputs. But more efforts by the project could have been invested in documenting the real impact (taking into consideration the counterfactual scenario) and also in assessing less quantifiable outcomes.

29. The PCR rated the STVET project efficient, arguing that most outputs were achieved on time and with few disbursement challenges. This is further substantiated by the economic analysis that reviewed recent growth and employment. The resulting economic internal rate of return of

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7 Moreover, two-thirds of women respondents said that their lives improved after participating in the VSTP (STVET Tracer Study, 2014).
8 World Bank. 2017. World Development Indicators database. Data is modeled on ILO labor market.
13.9% at completion is marginally higher than the 13.2% estimated at appraisal, further indicating reasonable efficiency.

30. If judged solely on economic internal rate of return, the efficiency rating seems justified. Moreover, ADB, the government, and other partners delivered inputs in a timely manner contributing to efficient implementation, with virtually all funds disbursed at completion. A TA in the form of consultancies (primarily from SMEC, the lead implementation consultant) was procured cost-effectively with comparatively low unit cost, but these low costs may also have contributed to frequent staff turnover particularly at the start of the project. The low costs also contributed to the challenges in making the GAP operational and relevant, both of which somewhat reduced the efficiency of the consultancy services. Moreover, the consultancy for regional training was also less than efficient with initial recruitment delays and with the consultancy not complying with the agreed training modalities and subsequently also being slow in taking remedial action. Against this background, one regional training package had to be shortened. Finally, due to the lengthy training periods abroad, the regional (overseas) training packages proved unattractive for women in mid-level DGTVET positions and, hence, the project failed to attract the targeted number of female participants.

31. However, the inefficiencies in some of the consultancies were of comparatively minor importance and did substantially impact the overall project and its capacity to translate input into outputs in agreed quantities and in a (mostly) timely manner. On this basis, the validation rated the STVET project efficient.

D. Preliminary Assessment of Sustainability

32. The PCR assessed the STVET project as likely sustainable with two key arguments at the core of that assessment. First, the successor project to the STVET project, the ADB-financed TVET Sector Development Program (TVETSDP), will ensure the delivery of outputs that may not have materialized in the absence of a new ADB project. This include extension of CBT, further strengthening of the RTCs, embedding industry involvement by transforming the industry advisory groups into sector skills councils, and nonformal and formal training. It is also planned that the new project will cover the restructuring of the systems for instructor recruitment, deployment, and professional development to further enhance sustainability. Second, the PCR argues that the government is highly committed to the TVET sector both in terms of policy emphasis (e.g., the NSDP 2014–2018 has substantial emphasis on skills development as a means to accelerate poverty reduction) and more crucially, in the budget allocations to the TVET sector. Thus, DGTVET’s budget has increased by around 20% each year and its provincial departments by 10% per year during the project period, which should be enough to cover the recurrent cost of the STVET project (footnote 2).

33. The PCR’s conceptualization of sustainability differs somewhat from conventional definitions in the sense that the argument that a new donor project (i.e., the ADB-financed TVETSDP) will ensure continued delivery of outputs. The Development Assistance Committee of the Organisation for Economic Co-operation and Development characterizes sustainability as "the continuation of benefits from a development intervention after major development assistance has been completed," which is also in line with ADB’s definition and, thus, explicitly mentions that sustainability is “after” the termination of development assistance. The PVR would, thus, argue that the PCR has a too limited notion of sustainability.

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34. Moreover, there are also elements in the STVET project that have proved difficult to sustain in the post-project scenario. Most notably, the VSTP has not (at the time of the PCR at least) received funding for the continuation of most training activities, despite this being agreed pre-project. This compromises a major part of the VSTP sustainability and the implications could arguably have been more explicitly discussed in the PCR. Similarly, the sustainability of the industry advisory groups (establish to development more relevant training packages) was also limited with ramifications in terms of the packages complying with private sector needs. The TVETSDP intends to address the problem by offering increased project financial assistance for ensuring industry participation, hardly an indication of future sustainability.

35. Nevertheless, these are comparatively minor challenges, in contrast to the larger context of sustainability, i.e., increasing budgets for the TVET sector and a strong explicitly commitment by government to continue investment in the subsector. Combined with a positive financial sustainability analysis, the PVR assesses the project likely sustainable.

III. OTHER PERFORMANCE ASSESSMENTS

A. Preliminary Assessment of Development Impact

36. It is the PVR’s view that the STVET project is likely to have positive, moderate development impacts as expected. Negative impacts have been minimal in relation to the gains under the STVET project. In sum, the impact is satisfactory. This is somewhat consistent with the PCR characterization of the development impact as being substantial.

37. The DMF defined the impact as “an expanded, employment-ready mid-level workforce in rural and urban areas, including both men and women” with two corresponding impact indicators: (i) the number of employees in the formal labor force holding formal TVET qualifications will increase 30% by 2020; and (ii) employer satisfaction with the knowledge, skills, and attitudes of employees holding new, formal TVET qualifications will increase by 2020. Obviously, it is too early to judge the 2020 impact, but indications are that the 30% increase is likely to be achieved. However, there appear to be no systematic tracking of employer satisfaction of the graduates, which is obviously problematic and should be considered remedied in the follow-up project. Again, there has been no attempt to assess the STVET project’s contribution to the stated impact (of a 30% increase in formal qualification), but this PVR considers it substantial.

38. Other STVET project’s impacts are evident both in terms of graduates having benefited from the training as well as the policy impact. Concerning the latter, the STVET project helped articulate and implement the government’s commitment to boosting the TVET sector by making vocational education and training more relevant and introducing more standards and improving the curriculum. The STVET project also helped establish a labor market information system, although the full potential of this is yet to be realized. At policy level, the STVET project was instrumental in undertaking the studies that underpinned the national TVET strategic plan 2014–2018, as well as the Medium-Term Expenditure Framework 2015–2018 for the sector.

39. In terms of those trained, the STVET project also made a substantial impact with tracer studies pointing to substantial raises in incomes of the 211,000 VSTP graduates, especially those who entered enterprise- and CBT where 70% of graduates were lifted out from the lowest income category of under $50 per month. However, the integrity of these findings and the attribution to the STVET project are somewhat compromised with a small sample size, selection bias, and no

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11 The ADB PCR does not report on this, but the government PCR does.
(non-treated) comparison group (footnote 2). The latter is especially problematic as the economy during the project period staged a strong recovery driving substantial poverty reduction and hence making attribution challenging, as the STVET project (and the PCR) did not develop a credible counterfactual scenario. Similarly, the policy and strategy impacts may, to a certain extent, have materialized without the project, but the PCR (and all other reports from the STVET project) failed to discuss this. However, the STVET project clearly contributed to the policy and strategy impacts, but whether this was substantial is debatable. Hence, the PVR finds that the impacts, while satisfactory, are likely modest, but mostly in line with expectations. No major negative impacts have been identified.

B. Performance of the Borrower and Executing Agency

40. ADB offered a grant to the government of which the Ministry of Economy and Finance was the borrower. The executing agency was the DGTVET. The PCR rated both the borrower and the executing agency performance satisfactory, arguing that both management and project staff carried out their duties willingly, diligently, and to the best of their ability. It seemed evident that the capacity of the executing agency was low when the STVET project started, and institutional capacity remains low in key areas such as training institution management and monitoring of the relevance of the training. Moreover, it is claimed in the PCR that numerous trainings and studies are evidences of improved capacity whereas this PVR would argue that these are merely inputs (and often not in themselves sufficient) that may or may not improve capacity. Nevertheless the government-contracted staff had much lower staff turnover than ADB’s consultants (and ADB’s own mission leaders), contributing to continuity and the establishment of institutional memory. Moreover, after initial delays caused by the consultancy challenges, disbursement picked up and was largely going as planned, thanks in no less part to the executing agency. Based on these, the validation, views the performance as satisfactory.

C. Performance of the Asian Development Bank and Cofinanciers

41. The PCR stated ADB’s performance satisfactory because it fielded regular review missions providing guidance, as well as generally responding promptly to inquiries and request for no objections. The government’s PCR also expressed general satisfaction with ADB, but had a somewhat more critical view of the performance. First, the government noted that the STVET project had four different ADB mission leaders over a time span of 5 years, resulting in at times inconsistent messaging and focus of ADB. Some mission leaders were interested in assisting in solving implementation problems, while others were more concerned with timely submission of documentation. This led to variable efforts by ADB in terms of solving practical problems, at least not in the first part of the project period. However, it should be noted that ADB took remedial action to improve initial challenges by fielding a special administrative review mission in March 2012 that helped improved performance and was an example of ADB’s diligent support.

42. One shortcoming of ADB has probably been in the recruitment and management of the implementation consultancy (SMEC), where the aggressive cost-ratio analysis and interpretation resulted in the award of a low-cost, low-quality consultancy with resulting frequent staff transfers, especially at the start. Further aggravating the situation was the imprecise and generic nature of

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the terms of reference for the consultants, causing poor specification of their workloads and a divergence between the expectations of the executing agency (DGT VET) and the consultants.

43. Similar to the initial challenges, ADB also took remedial action especially at the midterm review with new and better-defined consultancy positions added which helped underpin accelerated progress in implementation and improved quality. In sum, the PVR considers ADB performance satisfactory.

IV. OVERALL ASSESSMENT, LESSONS, AND RECOMMENDATIONS

A. Overall Assessment and Ratings

44. The PCR rated the STVET project successful, based on its high relevance, effective performance, efficient use of resources, and likely sustainability. Despite a minor deviation on the rating on relevance, the PVR assesses the project successful. It is assessed relevant, effective, efficient, and likely sustainable. While there are still outstanding challenges in terms of making CBT effective and in linking the formal and nonformal training, the STVET project has placed such challenges firmly on the policy agenda and laid out a road map for addressing these.

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ADB = Asian Development Bank, IED = Independent Evaluation Department, PCR = project completion report, STVET = Strengthening Technical and Vocational Education and Training, VSTP = voucher skills training program.

B. Lessons

45. The validation concurs with the core lessons outlined in the PCR, particularly on the need to have a long-term perspective when initiating major reforms such as the new approach (e.g., CBT). In addition, the PVR has the following three lessons from the STVET project:
   (i) In consultancy-dependent projects, job specifications and cost–quality ratio are to be ensured to adequately attract and retain competent staff with clear guidance and performance evaluation metrics.
   (ii) While politically attractive and easily disbursable, new constructions (e.g., dormitories and new training facilities) should only be done once alternative options have been explored, including better utilization of existing facilities and whether the government or training institutions are best placed to build, operate, and maintain housing facilities; and
   (iii) Insist on a baseline done either prior to or immediately after project start, and ensure better evaluability of outcomes and impacts than what a purely before-and-after analysis allows (e.g., comparison groups using randomized control trial techniques).

C. Recommendations for Follow-Up

46. The PVR agrees with the recommendations for follow up in the PCR (both in the main report and in the GAP analysis), and would like to urge the follow-up project, TVETSDP, to critically review how best to include industry practices in the development of standards to improve relevance and ultimately impact of the TVET services offered.

V. OTHER CONSIDERATIONS AND FOLLOW-UP

A. Monitoring and Reporting

47. The monitoring and reporting has been satisfactory with improvement over the project period. A key monitoring instrument upon which a substantial part of the reporting was to be based was the baseline study. However, this study was considerably delayed and only completed at the end of December 2012, halfway through the project. The development of the M&E framework was only slightly faster, finalized in May 2011, 3 years into the project. This impacted the ability to monitor the project from ADB side and was also part of the reason why the STVET project was categorized as a problem project in January 2012 and resulted in a Special Project Administration Mission in March that year. However, with both the M&E system and eventually also the baseline study completed, the STVET project in general improved (including the graduation away from being a problem project) and reporting also improved, including improved gender disaggregated reporting which had also been suffering from early delays. Thus, the STVET project failed to establish appropriate monitoring and reporting system at start-up, but with ADB assistance,

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14 ADB. Aide Memoires from the 2011 and 2012 missions.
the consultancy firm accelerated efforts to develop the necessary frameworks and baselines which drastically improved the situation.

B. Comments on Project Completion Report Quality

48. The quality of the PCR is *satisfactory*. The PCR is succinct, complying with the PCR guidelines, and provides critical and comprehensive discussions of the key activities and outputs of the project. However, the outcome and impact analysis (and consequently the evidence produced on these topics) is somewhat lacking robust evidence using only a before-and-after methodology, whereas it could have benchmarked against wider labor market and income trends (in lieu of a comparison group). Nevertheless, the PCR is well written and provides robust analysis of all key issues needed to comprehend the essence of the STVET project and the factors affecting its performance.

C. Data Sources for Validation

49. This validation is based on the PCR, RRP, grant review mission reports, the government’s PCR, ADB guidelines for public sector evaluation, and ADB’s review of capacity development.

D. Recommendation for Independent Evaluation Department Follow-Up

50. It is recommended that a project performance evaluation be carried out for the STVET project and the TVETSDP, given that the latter is building on the foundation laid out by the STVET project. A key objective of such an evaluation should be to provide credible evidence on outcomes, impacts, and sustainability, all of which have been inadequately covered in previous documentation, PCR included. The TVETSDP is expected to close in 2021.