Sri Lanka: Distance Education Modernization Project
ABBREVIATIONS

ADB – Asian Development Bank
DEPP – Distance Education Partnership Program
ICT – information and communication technology
MOHE – Ministry of Higher Education
NODES – National Online Distance Education Service
OUSL – Open University of Sri Lanka
PCR – project completion report
PMO – project management office
PPP – public–private partnership
PSC – project steering committee
RRP – report and recommendation of the President

NOTE

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

Key Words

asian development bank, distance education modernization, distance learning, independent evaluation department, open university, performance evaluation validation, public private partnership, sri lanka

The guidelines formally adopted by the Independent Evaluation Department (IED) on avoiding conflict of interest in its independent evaluations were observed in the preparation of this report. To the knowledge of IED management, there were no conflicts of interest of the persons preparing, reviewing, or approving this report.

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I. PROJECT DESCRIPTION

A. Rationale

1. The Asian Development Bank (ADB) funded the Distance Education Modernization Project to help the Government of Sri Lanka implement its human resource strategy by modernizing the postsecondary education system, especially through the introduction of distance education and the promotion of public–private partnerships (PPPs).

2. The report and recommendation of the President (RRP) recommended a need to increase access to and quality of educational opportunities throughout Sri Lanka for secondary school graduates. Given the limited public sector enrollment capacity, it was recognized that facilitation of private sector participation in postsecondary education would reduce pressure on the public sector, and partnerships could be used to increase standards. In effect, the project investment was a catalyst to enhanced private sector involvement in education.

3. The project investment modality was appropriate because uncertainties in the distance education subsector needed to be addressed before a program approach would be justifiable. The most pressing of several uncertainties were (i) continued liberalization of

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1 ADB. 2003. Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Democratic Socialist Republic of Sri Lanka for the Distance Education Modernization Project. Manila.
telecommunications, (ii) modernization of the sector administration as a whole, (iii) the adoption of policies and measures designed to stimulate the use of information and communication technology (ICT) and standardize their applications and processes, (iv) resistance to giving the private sector a greater role in postsecondary education, and (v) careful attention to financing the subsector necessary to ensure long-term support for distance education.

B. Expected Impact

4. The project’s intended goal as stated in the RRP was to increase socioeconomic growth to raise human development levels. Associated performance indicators and targets were (i) increased private sector employment from 25% to 30% of total employment by 2009, (ii) decreased educated unemployment from 15% to 10% by 2012, (iii) increased economic growth above 6% annually, and (iv) poor regions linked to better-off Colombo through public–private initiatives in distance education.

5. An impact that could be generated by the project, which was not mentioned in the project framework, is the increased acceptance of the private sector’s role in postsecondary education. This is mentioned as a risk in the Loan and Project Summary of the RRP although not in the project framework. This is an important impact to consider if the approach of the project is to be sustainable.

C. Objectives or Expected Outcome

6. The RRP stated that the project’s purpose was to develop distance education to expand postsecondary school enrollment to develop a modern, high-quality human resource base. Comprehensive associated performance indicators and targets were identified. Some outcome level performance targets were reduced at the midterm review. These adjustments and the reasons are discussed in detail in paras. 15–17.

D. Components and Outputs

7. The project was designed with three components: (i) establishment of the Distance Education Partnership Program (DEPP) to increase educational opportunities, (ii) establishment of a consortium of PPPs to improve standards, and (iii) upgrading of the Open University of Sri Lanka (OUSL, central and regional centers). Comprehensive output level performance indicators and targets were established for all components and these are described in detail in paras. 18–21.

E. Provision of Inputs

8. Planned inputs included funding of $60.0 million comprising $45.0 million from ADB, $10.0 million from the government, and $5.0 million from beneficiaries. These funds were used for research studies ($0.35 million), civil works ($6.5 million), equipment and furniture ($16.7 million), and instructional materials ($1.5 million). The project was planned to use 703 person-months of consulting services, consisting of 203 person-months of international consultants and 500 person-months of national consultants.

F. Implementation Arrangements

9. The Ministry of Policy Development and Implementation was designated executing agency, and the Ministry of Tertiary Education and Training as the implementing agency. The
government appointed in 2004 the Ministry of Education as both the executing and the implementing agency, and later, in 2006, the Ministry of Higher Education (MOHE). The MOHE retained both functions until project closure, being responsible overall for project implementation and supervision.

10. When the project started in November 2003, the project management office (PMO) was established to carry out overall implementation, reporting, and monitoring. A project steering committee (PSC) was set up as the highest-level decision-making body, chaired by the secretary of the executing agency. All key stakeholders were represented. The project director acted as the member-secretary of the PSC. The PSC met at least once every quarter in the initial years and then almost monthly toward the end of the project. The project completion report (PCR) noted that while the implementation arrangements were comprehensive, they were also marred by a lack of coordination among the various stakeholders and, in particular, by weak links to senior policymakers. This is evidenced by the lack of approval of several policies that were developed and put forward for ministerial approval (e.g., accreditation board, ICT policy for distance education, and the corporate successor organization of the National Online Distance Education Service [NODES]). This is a serious weakness in an innovative project.

11. Of the covenants for compliance, 23 were complied with in a timely manner and 18 were complied with but late. One covenant regarding the executing agency was modified (due to the change in executing agency) and another—relating to the PMO’s conduct of a tracer study to determine employment problems faced by students under the program—was deemed premature by the midterm review mission.

II. EVALUATION OF PERFORMANCE AND RATINGS

A. Relevance of Design and Formulation

12. The PCR rated the project highly relevant. The project’s intended impact and purpose were consistent with the government’s education policies and strategies for the education sector and human development. The project was also consistent with ADB’s country strategy and program update (2002) and poverty reduction strategy for Sri Lanka, which prioritized poverty reduction and emphasized pro-poor investments to strengthen PPPs. The project attempted to establish NODES as the centerpiece to operate and manage online distance education. It also looked into the demand stimulation angle and create acceptance of online distance education as a viable substitute, and manage the change process due to planned private sector participation.

13. At the midterm review, project purpose (outcome) and output targets were significantly reduced, particularly because the time taken to consolidate distance-learning operating systems was underestimated in the project design. The target reductions were very significant and although the revised targets were achieved, the impact of the project was much less than planned. A significant shortcoming of project design was the failure to generate demand for online distance learning, resulting in a lower number of participating students than planned. The PCR notes that while a comprehensive distance education network supported by hardware and connectivity was created, its optimal use and sustainability, particularly the institutionalization of

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3 As examples, the project supported the government's human resource strategy laid out in three documents: (i) The Future – Regaining Sri Lanka; (ii) the draft National Employment Policy for Sri Lanka; and (iii) e-Sri Lanka: An ICT Development Roadmap.
NODES, remained a concern. For these reasons, the validation downgrades the rating to relevant.

**B. Effectiveness in Achieving Project Outcome**

14. The PCR rated the project *less effective*. This validation also gives the project a *less than effective* rating. Although the project created a platform for ICT-based postsecondary distance education, the project suffered from limited utilization. The limited utilization will not encourage hardware and software upgrades, and the system could be irrelevant within a few years. While the concept of online learning and a workable system was established, there was not enough effort to ensure widespread acceptance of distance learning as a respectable alternative to face-to-face education.

15. Outcome targets were reduced at the midterm review stage: (i) the DEPP system established to accommodate 25,000 external degree students in 2012 (reduced to 10,000 for 2009 at the midterm review); (ii) public–private partnership task force operating among 150 postsecondary institutes by 2005 (reduced to 40 programs offered by partner institutions at midterm review); (iii) the Ministry of Tertiary Education and Training helps private schools increase enrollment by 35,000 through equipment purchase, stipends for the poor, and access to distance learning by 2012 (reduced to 10,000 for 2009 at midterm); and (iv) 20,000 unemployed secondary-school leavers to be provided semiprofessional job training (reduced to 8,000 at midterm review and age limit increased from 21 to 30).

16. Reductions in targets were made because the development of distance education infrastructure took more time than expected, and with less time available, some of the targets set at appraisal proved unrealistic. In particular, the establishment of the DEPP (renamed NODES) was more labor intensive than anticipated, creating a delay of about 1 year. Although international consultants were used to provide skills not available in the country for this innovative approach to service delivery, there were frequent changes in consultants, which hampered progress.

17. Additionally at the outcome level, it is noted that (i) the ICT policy for online distance learning was not approved at the time of the PCR; (ii) only 1,469 external degree students (499 from four national universities registered for five programs, and 970 from other partner institutions) were registered through NODES (the low achievement is the result of the program being offered only after 2007); (iii) 42 courses or programs were launched by 24 partner institutions by January 2010, although the target at appraisal was public–private partnership task forces operating among 150 participating postsecondary institutes by 2005; (iv) 24 partner institutions (13 private schools, 2 professional associations, 3 public institutions, 5 national universities, and OUSL) supported and 1,469 partner institutions registered for online diplomas and postgraduate courses, and (v) 11,878 unemployed secondary-school leavers trained (10,488 demand-driven, 1,065 on-the-job, and 325 online training) against an original target of 20,000. It is also noted that stipends were not offered to needy OUSL students as planned.

18. Supporting output level targets were also reduced at the midterm review stage. In Component 1, the DEPP learning network available to 150 public and private educational institutions on a cost basis by 2006 was reduced to 40 at midterm review. In Component 2,

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5 Under (iv), the achievement as measured does not correspond to the target provided in the project framework.
(i) foreign–domestic link programs in 150 schools to increase technology transfer by 2006 were reduced to 40 partner institutions and 10 for foreign–domestic link; (ii) stipends for 4,500 (annually) needy OUSL students, needy DEPP students, and unemployed A-level graduates seeking short-term skill development (reduced to 8,000 at midterm review); and (iii) public–private fund to 150 schools for equipment and stipends operational by 2004 (reduced to 40 at midterm review). These are significant target reductions and as noted above, were necessary because the development of distance education infrastructure took more time than expected, and with less time available, some of the targets set at appraisal proved unrealistic.

19. At output level there was consistent underperformance against targets. In Component 1, (i) 20 network access centers in OUSL premises were operational from 2007, with an original target of DEPP national distance learning networks operational in all OUSL campuses by 2006; (ii) learning network available to 24 partner institutions on a cost basis, which developed 42 courses and/or programs, against an original target of DEPP learning network available to 150 public and private educational institutions on a cost basis by 2006; (iii) NODES established as a MOHE unit in 2010 (corporate unit yet to be established), and business plan prepared, social marketing program launched, a fully staffed content development unit at NODES operational in 2007, 938 individuals trained in course design, development, and delivery against a target of full delivery by 2006; (iv) NODES consisting of network operation centers, 26 network access centers (including 20 at OUSL premises), and content development unit operational in the NODES management information system completed but not utilized, labor market analysis completed, career guidance pursued through World Bank-supported project, and accreditation service yet to be available.

20. In Component 2, (i) policy supporting PPPs reflected in the provision of matching grants, training and support to partner institutions provided by NODES; (ii) career guidance activities pursued under the World Bank-supported project; (iii) two programs being developed by OUSL and Informatics Institute of Technology but it is not clear if the targets (reduced at midterm stage) have been achieved; (iv) accreditation policy approved in 2007 but the Interim Accreditation Board has yet to be functional against a target of functionality by 2005; (v) 11,878 students granted stipends and trained, but no stipends provided to needy OUSL and DEPP students against a target of 4,500 needy OUSL students annually in the original project framework, reduced to 8,000 overall at midterm stage; (vi) only 42 programs offered from 24 partner institutions (stipend programs not implemented through partner institutions); and (vii) national ICT policy for distance learning submitted to the PSC in 2008 and not yet approved, against a target of approval in 2006.

21. In Component 3, (i) software for the OUSL management information system developed, partly integrated, and utilized; (ii) online student admission module tested and implemented in 2009 against a target of being fully operational by 2006; (iii) modern facilities and labs established in OUSL central campus and equipment provided for OUSL’s central library, multimedia center, and press facilities equipped to support online delivery against a target of full operationalization by 2006; (iv) long-term training provided to 34 staff (14 completed, 2 discontinued, 1 left OUSL), short-term foreign training provided to 135 staff (it is not possible to assess performance as the performance target is vague); (v) long-term domestic training provided to 31 staff (4 completed), it is not possible to assess performance as the performance target is vague; (vi) 16 regional centers, 7 new study centers, and renovation of 3 study centers completed against a target of 21 upgraded existing OUSL study centers and 5 new OUSLs; and (vii) regional registrations taking place in OUSL centers through the OUSL virtual private network, but it is not possible to assess performance as the performance target is vague.
C. Efficiency of Resource Use in Achieving Outcome and Outputs

22. The PCR rated the project less efficient. This validation also considers the project less than efficient. Although the RRP included a detailed estimate of project costs and benefits, the PCR did not include an assessment of the actual costs and benefits, applying updated figures.

23. Project management cost increased by 64%, from $0.9 million to $2.2 million. At appraisal, recurrent costs were estimated at $2.9 million or 5.5% of the total project cost. However, no expenditure was listed under this item. The PCR mission observed that the recurrent costs were instead charged to project management, which is the reason for the 64% increase. The actual cost of equipment of $17.7 million was 22% higher than the appraisal estimate, mainly because of much higher costs of network-related equipment and line charges. Moreover, there were cost increases in producing the online programs on offer through NODES and in giving all OUSL students access to the NODES network, both of which were not envisaged at appraisal. The PCR notes that the rate of return envisaged at appraisal is not likely to be achieved principally because there are fewer project beneficiaries than projected and thus fewer graduates. This critical weakness needs to be addressed through implementation of the recommended measures for sustainability and transition of NODES.

24. At appraisal, total project cost was estimated at $60 million. ADB provided a loan of $45 million from its Special Funds resources. Three partial cancellations were made: (i) for $8.0 million (SDR4.9 million) in response to the government’s request to cancel a substantial portion of the unallocated category and anticipated savings from various categories; (ii) for $4.1 million (SDR2.7 million) due to savings in stipends and scholarships—about 11,000 instead of an estimated 20,000 were awarded—and a reduction in the number of partnership programs from 150 at appraisal to 42 at project completion; and (iii) for $2.4 million (SDR1.6 million) at loan closing. The total cancellation amounted to SDR9.2 million or $14.5 million equivalent. Given the appreciation of the special drawing rights against the US dollar in the loan period, the project gained 13%. The loan disbursement amounted to $36.2 (SDR23.8 million). The lower cost largely reflected reduced targets and was not a result of efficiency.

D. Preliminary Assessment of Sustainability

25. The PCR rated the project less likely sustainable and this validation has the same rating. Establishment of a corporate organization to succeed NODES is an absolute requirement for success and sustainability. Although the project had done much to prepare the groundwork for this at the time of PCR preparation, revenues to sustain the organization could not be generated because of insufficient enrollments and the limited number of programs offered by the partner institutions. While funding was granted for an initial 3 years after project closure to ensure sustainability, it was noted in the PCR that it was imperative that the steps for ensuring sustainability be taken immediately to avoid degradation and demise of the NODES-supported distance education platform. There was potential for strong links with other ICT-based initiatives, both in secondary education and in technical and vocational education, where similar resource centers for training existed. Thus, coordinated efforts were needed to ensure full utilization of the gains of this project.

26. While government ownership and support is essential, the earlier recommendation of embedding the NODES functions in a sound corporate structure is still relevant and viable.

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6 Footnote 1, Appendix 15.
7 Footnote 2, Appendix 10.
Although there is optimism that demand for services provided by NODES will undoubtedly increase in the years to come and that revenues to sustain the successor organization will be achieved, this is not certain. It is noted in the PCR that NODES also has the capability to offer a whole range of other services—e.g., network services, web technologies, online training workshops for course development, audio-video productions, and design and development of print media—that will bring in revenue and for which there is relatively high demand in the country, but again, at the time of PCR completion, this was not certain.

E. Impact

27. It is difficult to assess the achievement of goal (impact) targets, as in all but one case, the targets are general and it is not possible to identify the contribution of the project—there could be many intervening variables. The indicator of linking poor regions to better-off Colombo through public–private initiatives in distance education had no targets although it is shown that post-project, Colombo was linked to outstations through NODES, covering 19 districts.

28. The project’s impact is centered on the successful establishment of a platform for online distance education and learning. The PCR noted that it was likely that the platform created by the project would have strong demonstration value and help extend various courses—formal postsecondary education, and vocational and technical subjects—to a wider range of students, particularly women who were unable to participate in traditional education opportunities, or vulnerable and neglected communities across the country, but especially in the northeast. To support this, the project was able to achieve the target of linking poor regions of the country to the capital through public–private initiatives in distance education, but the lower-than-expected overall takes up the limits the impact achieved.

29. The long-term development objective of the project was to increase socioeconomic growth to raise human development levels. As cited in the PCR, growth indicators included an increase in private sector employment from 25% to 30% of total employment by 2009, a decrease in unemployment of the educated from 15% to 10% by 2012, and economic growth above 6% annually. By 2009, key targets achieved were (i) private sector employment reached 41.1% (2008); (ii) unemployment of O-level achievers was 9.9% and of A-level achievers 7.4% (2008); (iii) while in 2010, the unemployment rate of those educated at A-level and above was 11.6% (7.9% for males and 15.8% for females). However, these achievements cannot be attributed solely to project intervention, but to other development factors in the country. This impact is not certain. The PCR did not provide a rating for impact but this validation recommends a rating of *moderate*.

III. OTHER PERFORMANCE ASSESSMENTS

A. Performance of the Borrower and Executing Agency

30. The PCR rated the performance of the borrower and the executing agency *satisfactory*. The performance of the PSC was effective in ensuring consistent implementation despite several shifts of ministerial responsibility and the number of stakeholders involved. However, the government could have done more to strengthen the institutional framework for the transition of NODES into a business entity. The government managed to set up the systems necessary to institutionalize the online distance-learning platform but it was not able to convince more users that distance education is a respectable alternative to face-to-face education. According to the PCR, marketing specialists were hired at an early stage of the project when the products were not yet available. Hence, an effective marketing campaign was not possible. This contributed to
the poor utilization of the project. This validation rates the performance of the borrower and executing agency less than satisfactory.

B. Performance of the Asian Development Bank

31. The performance of ADB was rated satisfactory in the PCR. This validation gives ADB a rating of less than satisfactory. The midterm review should have been carried out sooner than it was, giving more time to reflect on outcomes and find solutions, if necessary. There were delays on the part of ADB in providing timely approval for procurement of goods and lengthy processes associated with procurement of consultants under the quality- and cost-based selection method. Such delays should have been minimized to expedite the procurement and implementation process.

C. Others

32. It is noteworthy that the description of project benefits and beneficiaries in the RRP does not identify client groups of the ultimate beneficiaries, only the overall number to be reached ("relevant and topical course materials and knowledge directly accessible to at least 200,000 students within 5 years") is described. The project design acknowledges the contribution to poverty reduction through the inclusion of stipends for the poor and targeting unemployed secondary-school leavers, but this could have been given more emphasis.

33. The Poverty Analysis of the Summary Poverty Reduction and Social Strategy confirms that scholarships for low-income students at OUSL and private schools, and external degree students studying on the web need to be addressed if equity is to be preserved among students. It is also noted that the project is expected to promote the socioeconomic mobility needed to develop the economy outside Colombo. Special emphasis is placed on expanding the OUSL campus network to plantation areas and conflict areas. Although at project design stage, it was decided that the percentage of funds and the absolute number of poor beneficiaries are insufficient to qualify the project as a core poverty or poverty intervention, more attention might have been given to promoting equity. There is no gender analysis in the Poverty Analysis of the Summary Poverty Reduction and Social Strategy of the RRP. The promotion of female participation could have been given emphasis.

IV. OVERALL ASSESSMENT, LESSONS, AND RECOMMENDATIONS

A. Overall Assessment and Ratings

34. The project was rated less successful by the PCR and this validation has the same rating (see table). Overall, the project was innovative and it was implemented largely as designed save for the inadequacy of the sustainability plans. It was aligned with the education sector objectives of promoting PPPs and introducing ICT, and was complementary to other investments and programs to help modernize education at various levels. The project is less effective and efficient than it should have been largely because of the absence of a comprehensive social marketing campaign that would have helped generate greater demand for and subscription to the innovative learning system. The project is less than likely to be sustainable for the same reason—establishment of a corporate organization to succeed NODES
is an absolute requirement for success and sustainability but revenues to sustain the organization were not generated due to insufficient enrollments and the limited number of programs offered by the partner institutions.

### Overall Ratings

<table>
<thead>
<tr>
<th>Criteria</th>
<th>PCR</th>
<th>IED Review</th>
<th>Reason for Disagreement and/or Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td>Highly relevant</td>
<td>Relevant</td>
<td>The project’s intended impact and purpose were consistent with the government’s policies and strategies, and with ADB’s country strategy. But it had design shortcomings that affected its effectiveness and sustainability (para. 13).</td>
</tr>
<tr>
<td>Effectiveness in achieving outcome</td>
<td>Less effective</td>
<td>Less than effective</td>
<td></td>
</tr>
<tr>
<td>Efficiency in achieving outcome and outputs</td>
<td>Less efficient</td>
<td>Less than efficient</td>
<td></td>
</tr>
<tr>
<td>Preliminary assessment of sustainability</td>
<td>Less likely</td>
<td>Less than likely</td>
<td></td>
</tr>
<tr>
<td>Overall assessment</td>
<td>Less successful</td>
<td>Less than successful</td>
<td></td>
</tr>
<tr>
<td>Borrower and executing agency</td>
<td>Satisfactory</td>
<td>Less than satisfactory</td>
<td>The government could have done more to strengthen the institutional framework for the transition of NODES into a business entity (para. 30).</td>
</tr>
<tr>
<td>Performance of ADB</td>
<td>Satisfactory</td>
<td>Less than satisfactory</td>
<td>The midterm review should have been carried out sooner than it was. Delays in procurement of goods and consultants could have been avoided (para. 31).</td>
</tr>
<tr>
<td>Impact</td>
<td>Not rated</td>
<td>Moderate</td>
<td>Refer to paras. 27–29.</td>
</tr>
<tr>
<td>Quality of PCR</td>
<td>Less than satisfactory</td>
<td>Less than satisfactory</td>
<td>The PCR could have commented on the lack of a quantitative measure of efficiency (para. 38).</td>
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</tbody>
</table>

ADB = Asian Development Bank, IED = Independent Evaluation Department, NODES = National Online Distance Education Service, 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.

### B. Lessons

35. This validation agrees with the lessons identified in the PCR. In addition, it is noted that the project analysis tended to focus on supply-side interventions with inadequate attention to the demand side. The assumptions and risks identified in project design mention the assumption that external degree students will recognize the quality and convenience of DEPP distance learning, but all other assumptions and risks focus on supply-side issues. In a market intervention of this kind, both supply and demand need equal attention.
C. Recommendations for Follow-Up

36. This validation supports the recommendations made in the PCR. The PCR mission observed that to sustain and develop NODES, it is necessary to establish a credible management mechanism for the shared use of facilities by public, private, and business organizations, and for marketing the programs effectively. The PCR mission made five specific recommendations for follow-up. Although this project was not as successful as hoped, it is likely that the overall approach could be viable and effective in meeting government objectives and follow-up would be worthwhile as recommended in the PCR. It is agreed that while a second phase of this project is not envisaged, ADB and the government should link related projects in the pipeline, such as technical education and vocational training and further secondary and higher education programs to fully utilize and integrate the use of NODES. Planned and ongoing technical assistance can be used to explore and pinpoint the detailed links. More emphasis on poverty reduction and equality benefits could be built into the sustainability and business plan.

V. OTHER CONSIDERATIONS AND FOLLOW-UP

A. Monitoring and Evaluation Design, Implementation, and Utilization

37. The PCR covenant schedule 6, para. 25 referred to the development and implementation of a project performance and monitoring system by the PMO, including an outline of information sources for baseline data. The PCR reported that this covenant was complied with. This is reinforced by PCR covenant schedule 6, para. 24 which required the Ministry of Policy Development and Implementation, the MOHE, and ADB to jointly undertake a review of the project at the end of the first and third years of project implementation. Clearly, the second review, which was the midterm review, was successful in focusing on overall benefits, achievements, necessary adjustments in project design and reallocation of project funds. The midterm review could have been more effective if conducted earlier.

B. Comments on Project Completion Report Quality

38. The PCR quality is rated less than satisfactory. Although an analysis of cost and benefits was not presented, the PCR could have commented on the (non-)inclusion of cost per unit of output, e.g., annual amortized project cost per student enrolled, to provide some quantitative measure of efficiency (or lack thereof). The PCR could have also commented on the lack of a “break even” target for a combination of a number of enrollees and tuition fees charged that would enable recovery of the project cost, since this also has implications for sustainability. Had these elements been included during project design, there may have been some impetus for inclusion of a social marketing campaign to help generate greater demand. More emphasis on safeguard issues is expected of a project of this kind with substantial poverty reduction and equity enhancement potential.

C. Data Sources for Validation

39. Apart from the PCR and the RRP, back-to-office reports, ADB country strategies, government reports, and other project related documents were used for this validation.

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10 Footnote 2, Appendix 9 (Proposal for the Sustainability of the National Online Distance Education Service) and Appendix 10 (Summary of Sustainability Plan for the National Online Distance Education Service).

11 The regional department does not agree with the PVR assessment about the quality of PCR.
D. Recommendation for Independent Evaluation Department Follow-Up

40. Because of the potential significance for a follow-on project, a project performance evaluation may be conducted after the government has implemented the sustainability plan for NODES and when the achievements of the system are likely to show returns. The performance evaluation report could be undertaken, giving the government ample time to move forward on the sustainability and business plan, with continued monitoring and support from ADB, and allowing NODES to begin functioning more optimally.