

Validation Report
October 2019

Bangladesh: Post-Literacy and Continuing Education Project

Reference Number: PVR-649
Project Number: 31309-013
Loan Number: 1881
Grant Number: 3899



Raising development impact through evaluation

ABBREVIATIONS

ADB	– Asian Development Bank
BNFE	– Bureau of Non-Formal Education
CEC	– continuing education centers
DFID	– Department for International Development of the United Kingdom
DMF	– design and monitoring framework
DNFE	– Directorate for Non-Formal Education
MIS	– management information system
MOPAs	– monitoring partner agencies
MOPME	– Ministry of Primary and Mass Education
NFE	– nonformal education
NGO	– nongovernment organization
PCR	– project completion report
PLCE	– post-literacy and continuing education
PPP	– public-private partnership
SDC	– Swiss Agency for Development and Cooperation

NOTE

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

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PROJECT BASIC DATA

Project Number	31309-013	PCR Circulation Date		29 October 2018
Loan/Grant Numbers	1881 and 3899	PCR Validation Date		Oct 2019
Program Name	Post-Literacy and Continuing Education Project			
Sector and Subsector	Education	Technical and vocational education and training		
Strategic Agenda	Inclusive economic growth			
Safeguard Categories	Environment		C	
	Involuntary resettlement		C	
	Indigenous peoples		C	
Country	Bangladesh		Approved (\$ million)	Actual (\$ million)
ADB Financing (\$ million)	ADF: 65.00	Total Project Costs	99.70	51.50
	OCR: 0.00	Loan/Grant		
		L1881	65.00	33.78
		Borrower	20.00	12.35
		Beneficiaries	2.70	0.00
Cofinancier	DFID and SDC	Total Cofinancing	12.00	5.37
		DFID (G3899)	12.00	0.44
		SDC (G3899) ^a	0.00	4.93
Approval Date		Effectiveness Date		
L1881	13 Dec 2001	L1881	17 Apr 2002	28 Jun 2002
G3899 (DFID)	12 Jul 2002	G3899 (DFID)	17 Apr 2002	17 Apr 2002
G3899 (SDC) ^b	1 Jul 2008/ 10 Jun 2009	G3899 (SDC)	29 Nov 2006	29 Nov 2006
Signing Date		Closing Date		
L1881	17 Jan 2002	L1881	31 Dec 2008	8 Jun 2017
G3899 (DFID)	17 Apr 2002	G3899 (DFID)	30 Jun 2008	7 Sep 2018
G3899 (SDC)	29 Nov 2006	G3899 (SDC)	30 Jun 2011	25 Jul 2017
Project Officers	J. Sarvi B. Panth J. Mahmood R. Van Dael C. Li Z. Li	Location ADB headquarters Bangladesh Resident Mission Bangladesh Resident Mission Bangladesh Resident Mission Bangladesh Resident Mission Bangladesh Resident Mission	From Apr 2002 Feb 2005 Dec 2007 Jan 2013 Feb 2017 Mar 2018	To Feb 2005 Dec 2007 Jan 2013 Dec 2016 Feb 2018 Sep 2018
IED Review				
Director	W. Kolkma, IETC			
Team Leader	E.Kim, Senior Evaluation Specialist, IETC ^c			

ADB = Asian Development Bank, ADF = Asian Development Fund, DFID = Department for International Development of the United Kingdom, IED = Independent Evaluation Department, IETC = Thematic and Country Division, OCR = ordinary capital resources, PCR = project completion report, SDC = Swiss Agency for Development and Cooperation.

^a Financing from SDC came after the main project appraisal and approval. The total approved amount under SDC was \$5 million.

^b Two supplementary grant financing were approved under SDC in the amount of \$2.5 million each.

^c Team members: A. Brubaker (Principal Evaluation Specialist), A. Morales (Senior Evaluation Officer), R. Sabirova and P. Chand (Consultants).

I. PROJECT DESCRIPTION

A. Rationale

1. In Bangladesh, rural poverty declined from 47.9% to 44.9% between 1996 and 1999, urban poverty fell slightly from 44.4% to 43.3% in the same period, and in 2001, the adult literacy rate was 64.0% (for 15 years old and above).¹ A large share of the population lacked functional literacy, which constrained their income opportunities. Because of the overwhelming number of illiterates and the breadth of poverty in the country, nonformal education (NFE) and post-literacy training was a high priority of the Government of Bangladesh. In line with the recommendations from an earlier NFE sector support from the Asian Development Bank (ADB), the government, through its Directorate for Non-Formal Education (DNFE) under the Ministry of Primary and Mass Education (MOPME), addressed the illiteracy of the poor by contracting nongovernment organizations (NGOs) to provide post-literacy and continuing education (PLCE) training to 17 million learners.² This aimed to equip the learners with the income-generating skills that would help bring them out of poverty. At appraisal, the local institutional capacity and political framework for the NFE sector faced several challenges on (i) the need for the development of a new policy framework that would be responsive to the diverse needs of learners, (ii) the lack of quality training modules to be implemented by the NGOs, and (iii) the severe variations in the level of capacity of the NGOs in charge of PLCE training.

2. The rationale for the PLCE project was based on establishing an effective PLCE training program for learners to help them acquire functional literacy, social skills, and income-generating skills upon completion of the basic literacy courses. The project intended to (i) contribute to the development of a policy framework for PLCE, (ii) develop curriculum approaches and disseminate curricula, (iii) build the capacity of training organizations and strengthen the regulatory and supervisory functions of the government, and (iv) deliver PLCE to 1.7 million learners in rural areas of Bangladesh, with at least 50% of the beneficiaries being women.³

B. Expected Impacts, Outcomes, and Outputs

3. The impact or goal in the design and monitoring framework (DMF) of the project was “to contribute to the reduction of poverty through more equitable human development in rural areas.”⁴

4. The intended outcome or purpose was “a community-based and needs-oriented PLCE course program and a supporting organizational framework operational in 29 districts.” To achieve this, the outputs were classified under four areas:

- (i) **Support policy framework development.** This output envisioned (a) a detailed plan for implementation of NFE Policy Framework, including a financing plan and summary report on national framework and recommendations by the project midterm review; (b) 70% of public and private organizations expressed their satisfaction through continuous dialogue in meetings at national, district, subdistrict, and community levels; (c) 80% of all partners were satisfied with information received about ongoing project activities; and (d) the equivalency program was designed and piloted.

¹ ADB. 2001. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the People's Republic of Bangladesh for the Post-Literacy and Continuing Education Project*. Manila.

² ADB. 2003. *Completion Report: Nonformal Education Project in Bangladesh*. Manila.

³ According to the PCR, the initial training target of 1.68 million learners was reduced to 1.6 million based on the ADB reformulation mission in October 2005.

⁴ Footnote 1, Appendix 1.

- (ii) **Develop, distribute, and continuously adopt curricula for post-literacy and continuing education programs.** This output aimed for (a) the establishment of a national professional body for curriculum and material development; (b) preparation of curriculum and materials; (c) routine curriculum development with review, based on the monitoring reports of monitoring partner agencies (MOPAs), followed by curriculum revision; (d) the implementation of 60 curriculum development workshops; (e) the production and distribution of teacher manuals; (f) training of master trainers and facilitators as deemed necessary; and (g) the quality assessment of curricula, materials, and training of trainers by the international consultant for the midterm review and the review at the end of its fourth year.
- (iii) **Improve capacity of involved organizations.** This output expected to develop the capacity of NGOs and the Bureau of Non-Formal Education (BNFE) through trainings and monitoring and evaluation. It targeted (a) 770 staff of implementing NGOs and MOPAs trained on public-private partnerships (PPP) and 1,559 staff on curriculum or material development and training of trainers; (b) 72 staff of BNFE trained in planning and PLCE concept development; (c) 420 staff of implementing NGOs and 14,490 facilitators trained on course implementation; (d) 174 staff of MOPAs trained on monitoring and evaluation; (e) all concerned organizations executed administrative and organizational tasks on agreed standards; (f) the accreditation system of NGOs reported; (g) new materials and procedures prepared for management information system (MIS) activities at district and subdistrict levels; (h) new roles and responsibilities defined for each level of administration in the context of decentralized and community-based PLCE courses, and adopted by the MOPME and BNFE; (i) internet web pages on the project, curriculum, and materials developed and regularly updated by the BNFE monitoring and evaluation section; and (j) data exchange between MIS and BNFE and/or implementing NGOs undertaken through e-mails.
- (iv) **Implement post-literacy and continuing education course packages.** This output aimed for (a) 1.6 million learners with a target of 50% women enrolled, (b) 14,490 continuing education centers (CECs) established for PLCE courses in 29 districts and 210 subdistricts, (c) CECs to correspond to the minimum requirements and perform according to agreed-upon standards, (d) 80% of facilitators and skills trainers used the teaching materials as intended, (e) teaching corresponded to quality levels, (f) dropout rates reduced to less than 10%, and (g) learners expressed satisfaction with CECs and resource persons.

C. Provision of Inputs

5. ADB approved the loan in December 2001, and it became effective in June 2002. The original closing date of the loan was in December 2008, while the physical completion date was in June 2013 and the financial closing date was in June 2017. The project closing deviated from the original due to the 2-year suspension of the loan after DNFE, the executing agency for the project, was dissolved in 2003 and was replaced by BNFE in 2005. Other delays resulted from the prolonged selection process procedures for implementing NGOs and liquidation of advances to NGOs and consulting firms. The duration of the loan for the PLCE project was extended three times. The PLCE project was cofinanced by the Department for International Development of the United Kingdom (DFID) and the Swiss Agency for Development and Cooperation (SDC). The DFID grant's original and actual completion date was in June 2008. The SDC grant's

completion date based on the grant agreement was in June 2011, while its actual completion date was in June 2013.

6. According to the project completion report (PCR), the total project cost at appraisal was \$99.7 million, and the actual total cost was \$51.5 million, 48.3% lower than the original estimation. The approved loan amount was \$65.0 million, in various currencies equivalent to SDR50.9 million. At appraisal, the foreign exchange cost was \$11.3 million, and the actual cost was \$5.5 million. The local currency cost at appraisal was \$88.4 million, whereas the actual cost was \$46.0 million. The actual project amount disbursed was \$33.8 million (SDR22.2 million).⁵

7. At appraisal, the share of ADB was 65.2% of the total project cost, while the share of the government was 20.1%, and the remaining 14.7% was from DFID and the beneficiaries. In November 2007, the DFID reduced its grant from the initial amount of \$12.0 million to \$2.0 million, while SDC provided additional cofinancing with a grant of \$5.0 million in November 2006. The DFID grant disbursed a total amount of \$0.4 or 22.0% of \$2.0 million, while the SDC grant disbursed a total amount of \$4.9 million.

8. At appraisal, a total of 10 international (171 person-months) and 18 national (476 person-months) consultants were planned to be recruited. The actual number of consultants engaged include (i) seven individual consultants for project administrative services, management and information system, financial management, procurement, and coordination, (ii) five firms for project administrative services, overseas training, curriculum development and program implementation, MIS, and financial auditing, (iii) five MOPAs, and (iv) 32 NGOs for PLCE implementation.

9. The executing agency followed the (i) quality-based selection process in recruiting the project administrative service firm; (ii) quality- and cost-based selection of a firm for curriculum development and program implementation, and capacity building; (iii) fixed budget selection of five monitoring partner agencies; and (iv) single-source selection method for establishing the MIS database of ADB. The PLCE project was categorized C for environment, involuntary resettlement, and indigenous people safeguards. No adverse impact was reported by the government.

10. There was no attached technical assistance to the PLCE project.

D. Implementation Arrangements

11. The borrower was the Government of Bangladesh. The executing agency was DNFE under the MOPME, which was replaced by BNFE in 2005. The day-to-day operations were managed by the project implementation management unit within the BNFE, led by a project director and assisted by three deputy directors and six assistant directors who were district coordination officers. While the director-general of the BNFE provided overall guidance on the PLCE project, the responsibility for overseeing the project fell on an inter-ministerial coordinating committee chaired by the secretary of the MOPME, which approved annual operation plans, and coordinated activities with other NFE projects under the MOPME. Six assistant directors and deputy commissioners of the districts oversaw project implementation at the district level. Subdistrict NFE committees, chaired by the officer (chief executive), and district NFE committees, chaired by the deputy commissioners, were responsible for the project implementation at the subdistrict level.

⁵ ADB. 2018. *Completion Report: Post-Literacy and Continuing Education Project in Bangladesh*. Manila.

12. ADB suspended its loan in May 2004 when the government dissolved the DNFE. In April 2005, the government established the BNFE with provisions to strengthening the NFE subsector. The overall project implementation arrangements and the project implementation and management unit remained the same. ADB, with the SDC and DFID, reformulated the project in 2006 and resumed the loan financing. In June 2006, the ADB Board of Directors approved a major change in scope of the loan for the PLCE project, and for the reformulated project scope and implementation arrangements under the BNFE.

13. In February 2005, the project was delegated to the ADB Bangladesh Resident Mission. From 2014 to 2017, ADB initiated three loan extensions to adjust the closing date, increase the financing percentages for the SDC grant, and accommodate the completion of project activities.

14. Based on the PCR of the government during implementation, inputs by the consulting firms, individual consultants, and NGOs were essential for the project implementation, curriculum and learning materials development, capacity building, monitoring of the PLCE courses implementation, conducting an impact study, and developing the MIS of the project.⁶

15. According to the PCR of ADB, the loan agreement included 47 loan covenants, of which 42 were complied with, 2 substantially complied with, and 2 partially complied with.⁷ The outstanding covenant, which required “entering into a contract with an international accounting and project services firm” was deemed not relevant as the project design did not include such services. Compliance with five covenants on the execution of the project activities was delayed because of the loan suspension. The discontinuation of the executing agency affected three compliances related to agreement and sound administrative policies and procedures of the departments and agencies of the borrower. One covenant on operation and maintenance of the project facilities was only partially complied with due to the non-utilization of trade books produced under the project since 2013 and the 12% usability of the learning centers.

II. EVALUATION OF PERFORMANCE AND RATINGS

A. Relevance of Design and Formulation

16. The ADB PCR assessed the PLCE project less than relevant. The PLCE project design incorporated some of the recommendations from the previous ADB loan to Bangladesh in the NFE sector (footnote 2), including the emphasis on the involvement of NGOs and removal of limits (age, gender, etc.) for NFE. According to the PCR, the government was committed to promoting literacy, improving provision of NFE, and engaging NGOs in the delivery of literacy and life skills training at appraisal. The PLCE project objectives remained relevant to the country development priorities and education remained a priority sector for ADB upon completion. The project design was aligned with ADB country operational strategy for Bangladesh and focused on involving the communities in education.⁸ The choice of project lending modality was appropriate given the investment and grant needs for the NFE subsector.

17. The project introduced an innovative approach of partnering with NGOs under a joint framework, and the analysis of the NGOs’ capacity at the project appraisal acknowledged a diverse pool of implementing NGOs. However, this approach did not fully consider the variable

⁶ Government of the People’s Republic of Bangladesh, Ministry of Primary Education and Mass Education. 2014. *Completion Report: Post Literacy and Continuing Education for Human Development Project-2*. Dhaka.

⁷ The 42 loan covenants complied with include five covenants with delayed compliance.

⁸ ADB. 1998. *Country Operational Strategy Study*: Bangladesh. Manila.

institutional capacity of the numerous NGOs involved. Overall, the project design was ambitious considering the implementing capacity of the NGOs required to conduct training in 29 districts, which was further complicated by the uneven level of fiduciary among the same set of NGOs.

18. In 2004, ADB suspended the loan due to the decision of the government to dissolve the DNFE, the executing agency of the project, in 2003. In 2005, the government established BNFE, and requested ADB to lift the loan suspension, which was done after the government complied with the set conditions. A major change in project scope in June 2006 was an appropriate effort to continue the project implementation. The project reformulation was undertaken to accommodate the replaced executing agency, and to adjust the project scope including provisions for the SDC grant. The reformulated project scope reduced the number of implementing NGOs from 210 to 29, and the number of MOPAs from 29 to 6. These measures were appropriate, but the loan suspension and project reformulation considerably affected the initial project design. The DMF at the reformulation stage was revised, but most of the output performance indicators were kept unchanged. This validation has similar views as the PCR and assesses the project less than relevant.

B. Effectiveness in Achieving Project Outcomes and Outputs

19. The PCR rated the PLCE project less than effective. Developing the NFE Policy Framework was relevant to provide the legal grounds and funding basis for pursuing NFE. At completion, the outcome according to the performance indicators was insufficiently attained as illustrated by the self-employment rate of participants which was only 39.5% against the target of 90.0%. The project succeeded in enrolling at least 50.0% females in the project training, as almost 50.0% of the graduates were women, but the project outcome related to women becoming self-reliant (47.2%) fell short of the target of 60.0% (footnote 6).

20. The main project outputs included (i) a policy framework developed that was conducive for a flexible, responsive, and sustainable PLCE program through which linkages and division of work between different public and private agencies were established based on PPP principles; (ii) 16,394 facilitators and staff trained from implementing NGOs, MOPAs, and the BNFE (in line with targets); (iii) 1.2 million learners trained (75.0% of revised target), 50.0% of whom were women (in line with target), with an overall dropout rate of 4.9% (exceeding the 10.0% target); (iv) 16 trade curricula developed; (v) 7,147 centers for PLCE courses established (49.3% of the revised target); (vi) accreditation system for NGOs developed; (vii) MIS set up and operationalized; and (ix) linkage program for NFE graduates with local government and nongovernment microcredit loan providers established.

21. The implementation of the PLCE project was severely affected by the dissolution of the executing agency at the beginning of the project implementation, which in turn delayed project activities to achieve the intended outcomes and outputs. Consequently, it led to the prolonged project implementation. Nevertheless, the key overall policy output of the NFE Policy Framework and the detailed plan for its implementation and financing was developed and adopted under the PLCE project with the joint efforts of several development partners, including DFID and SDC. Subsequently, the framework laid out the groundwork for other NFE outputs, such as the curricula and training materials developed for the courses and capacity building of BNFE staff, implementing NGOs, and MOPA.⁹

⁹ Government of Bangladesh. 2004. *Non-Formal Education Policy*. Dhaka.

22. Outputs on capacity development of the NFE implementing NGOs and developing the framework were also supported with the DFID and SDC grant resources. All outputs were mainly achieved or substantially achieved.

23. The project was adequately categorized as C for risks regarding environment, involuntary resettlement and indigenous peoples. For environment and involuntary resettlement risks, screening and preparation had been appropriate. However, for risks concerning the indigenous peoples, the information to assess the appropriateness of screening and preparation was not sufficient. Though the project objective was to extend educational opportunity to rural areas, it focused mainly on the gender dimensions with limited consideration of indigenousness or ethnic identities in project assessment or project design.¹⁰

24. The implementation of the gender action plan had achieved 27 out of 30 targets. The PLCE project had approximately 600,000 women out of 1.2 million total enrollments. About 50.0% or 552,828 course graduates were women. Of the total 435,622 completers involved in income generation, 53.5% or 233,053 were women. Of the 16 different types of trades under the project, training courses for 10 trades or 62.5% were developed in a gender-responsive manner. The mobility of women had increased in 29 project districts since they started attending literacy and skills training classes. The report and recommendation of the President included a gender analysis prepared during project design in the year 2000 with qualitative indicators and missing baseline data (footnote 1). This validation has similar views as the PCR and assesses the project less than effective.

C. Efficiency of Resource Use

25. The PCR rated the project less than efficient. It was implemented for 11.5 years from December 2001 to June 2013, which was 4.5 years longer than originally planned, and included a loan suspension period of 2 years from May 2004 to June 2006. The PCR reevaluated the economic viability of the project and claimed that the project achieved an economic internal rate of return (EIRR) of 26.0% based on a methodology applied at appraisal.¹¹ Although the PCR admitted that this is less than the envisaged 35.3% at appraisal, this validation still finds the reevaluated EIRR to be overly optimistic, as it was based on self-reported income gains from beneficiary interviews and an unrealistic economic life of training impact. The income gain estimates were based on the beneficiaries' approximations of their income levels (before and after project participation), and as such, would be prone to potential bias and inflation when compared to other more rigorous estimation methods. In addition, despite the general assumption that the "economic life of the project is assumed at 10 years after project completion," the EIRR approximation of the PCR assumed that the impact of the training on the beneficiaries would last beyond 2 decades.¹² When an adjusted wage gain (para. 32) and economic life of 10 years were applied to the training's impact on the trainees, this validation observes that the EIRR calculation would drop to 14.7%.

26. According to the PCR, the cost deviation between the original appraisal and the actual cost of the PLCE project was due to (i) the 2-year suspension of the loan, which resulted from the

¹⁰ ADB (Independent Evaluation Department). 2019. *Project Safeguard Assessment: Post-Literacy and Continuing Education in Bangladesh*. 1 February (internal).

¹¹ The estimated EIRR in the PCR was higher than the threshold discount rate of 12.0% but less than the 35.3% estimated EIRR at appraisal. The PCR pointed to the following reasons contributing to the lower EIRR: (i) the 39.5% employment rate at the end of training, which was much lower than the 90.0% expected at appraisal; and (ii) the long project implementation period.

¹² Footnote 5, Table A10.1: Economic Reevaluation, p. 52.

decision of the government to dissolve the DNFE, the original executing agency for the project;¹³ (ii) the reduction in DFID funding from \$12.0 million to \$2.0 million in the revised grant agreement, which led to a reduced project scope and resulted in the decreased disbursement from the DFID grant, though it was partially replaced by a \$5.0 million grant provided by SDC in 2006; and (iii) the 25% depreciation of the Bangladeshi taka against the United States dollar.

27. The PLCE project had a partial loan cancellation amount of \$33.0 million. The reduced DFID grant from \$12.0 million to disbursed \$0.4 million also imply that opportunities to yield more meaningful results could have been foregone. The \$5.0 million grant resources became available from SDC, which were fully utilized on the capacity building activities and implementing the PLCE courses. This validation has similar views as the PCR and assesses the project as less than efficient.

D. Preliminary Assessment of Sustainability

28. The PCR rated the project likely sustainable, mostly based on the policy environment established in Bangladesh after project completion. The government introduced the NFE Act in 2014 to implement the NFE policy developed under the PLCE project.¹⁴ The government prioritized the NFE subsector as outlined in its Seventh Five-Year Plan 2016–2020 with targets to (i) eliminate 32.5 million adolescent and adult illiterates; (ii) establish 5,025 community-based learning centers, at least one in each union plus in certain urban areas; (iii) produce five million graduates from the basic literacy project; and (iv) establish an NFE board.

29. The preceding policy framework has served as the basis for the financial commitment of the government in the sector. The government approved a 5-year basic literacy program and financed NFE with a budget of Tk4.5 billion or around \$58.0 million in 2014. On the 7,147 training centers and the BNFE building extension, the BNFE and MOPME have committed to take stock of what was produced under the project and to utilize them for basic literacy or other future programs.¹⁵ However, the PCR did not present any substantive evidence of the commitment of the government to PLCE being sustained beyond its 2014 financing, while Bangladesh Planning Commission's Seventh Five-Year Plan 2016–2020 only included goals in reducing illiteracy in the nonformal education sector through MOPME.¹⁶ Though MOPME has incorporated NFE into the Third Primary Education Development Program in the form of Alternative and Second Chance Education, the respective budget allocated for this had been cut back by more than 73%, or comprising just over 1% of the Third Primary Education Development Program component budget (down from 3% originally).¹⁷ These factors question whether the fiscal sustainability of the project was actually achieved.

¹³ According to the PCR, the decision of the Government of Bangladesh to dissolve the DNFE was "to mitigate fiduciary risks due to the alleged non-transparency in the selection of NGOs in other government projects." With the concern about the fiduciary risks and the absence of an executing agency, ADB had several rounds of discussions with the government and DFID, and decided to suspend the loan and grant in May 2004, until the following conditions were met: (i) a comprehensive NFE sector strategy is prepared and approved, and (ii) the project is redesigned within the framework of the approved NFE sector strategy.

¹⁴ Government of Bangladesh, Ministry of Law, Justice and Parliamentary Affairs. 2014. *Non-Formal Education Act*. Dhaka.

¹⁵ According to the PCR, 12% of these temporary structures were still in good shape as of 2017 and could be used for other training.

¹⁶ Government of Bangladesh, Planning Commission. 2015. *Seventh Five-Year Plan 2016–2020*. Dhaka. p. 591.

¹⁷ Government of Bangladesh, Ministry of Primary and Mass Education, Directorate of Primary Education. 2015. *Third Primary Education and Development Program (PEDP3): Program Overview and Implementation Guide - Revised Program Document*. Dhaka. p. 57.

30. The institutional sustainability of the BNFE and MOPME, and implementing NGOs was based on the established PPP arrangements in the NFE sector under a joint framework used in the PLCE project. The PCR stated that 16,394 facilitators and staff of implementing NGOs, MOPAs, and the BNFE were trained under PLCE, but did not offer any evidence of sustained institutional capacity development such as retention rate among the trainees in their respective institutions.

31. This validation deems that the (i) establishment of an NFE policy environment, (ii) provision of adequate infrastructure and financing; and (iii) strengthening of institutional capacity need to go hand-in-hand to ensure the sustainability of the project, but does not find evidence of the project contributing to sustainable contribution in items (ii) and (iii). As such, this validation assesses the project less than likely sustainable.¹⁸

III. OTHER PERFORMANCE ASSESSMENTS

A. Preliminary Assessment of Development Impact

32. The PCR rated the overall impact of the project satisfactory. The project contributed to the inclusive growth in Bangladesh, the intended contribution to the project impact (goal) of reduced poverty, and to more equitable development in 29 districts as stated in the DMF. About 1.2 million of the 1.6 million learners targeted received the PLCE training. Women comprise half of the learners and more than half of those involved in income-generating activities upon completion of the PLCE courses. The 39.5% employment rate among the graduates was below the target of 90.0%, but the average incremental wage gain after attending the PLCE courses was estimated at \$0.28 per day. However, upon verification of the estimated wage gain, the validation finds it to be only \$0.19 per graduate, which is well below the project target of \$0.25.¹⁹

33. The institutional development impact of the project to the NFE subsector pointed to benefits brought by the introduction of the national framework, which ensured a flexible, community-oriented and sustainable PLCE program based on the PPP arrangements. The project supported institutionalization of the roles and responsibilities of the NFE stakeholders. The BNFE was established as the national NFE training regulator entity to guide the implementing NGOs, MOPAs, and CECs, which will contribute to ensuring the sustainability of impact. At a broader policy level, the NFE Act was adopted in 2014, which set a legal framework for community-based and skills-in-demand-oriented PLCE courses and provided an institutional guarantee for NFE. The NFE Board was established under the NFE Act, and BNFE was in the process of standardizing the curriculum and learning materials and setting up the accreditation system for teachers and graduates.

34. The PCR referred to an impact study carried out in 2012 (footnote 5), which was used as evidence of significant improvements among a sample of the project course graduates.²⁰

¹⁸ The South Asia Department (SARD) disagrees with this rating and retains the PCR rating of likely sustainable as stated in the project completion report validation report (PVR) paragraphs 28 and 29. Refer to Appendix 1.

¹⁹ This validation revised the following assumptions to calculate wage gain: (i) working days per month in rural household = 25 day → 30 days, and (ii) number of workers per rural household = 2.5 persons → 3 persons. These revisions were based on the reality that rural households cannot take weekends off for much of their tasks, and the assumption that the PLCE would effectively allow more persons from each household to join the workforce.

²⁰ The improvements included average purchasing capacity, number of children going to school, general health status, general nutritional status, level of social awareness, degree of cleanliness, changes in food intake and food habit, changes in sanitation, changes in drinking water, and changes in clothing. Other “impacts” of the project included public policy awareness on gender balance and women’s empowerment through the PLCE courses, which resulted in women and their families considerably benefitting from the social and life skills acquired.

However, as the study lacked clear indication of (i) the sample selection criteria; (ii) the impact evaluation design to be implemented by an independent evaluator; (iii) the definition of a counterfactual or control group; or (iv) the key indicator to be evaluated for impact, this validation deems it susceptible to positive bias from participants with greater access to services and benefits, and that the findings of the study cannot be taken as an objective measure of impact upon the entire population of beneficiaries.

35. Based on the DMF in the PCR, this validation finds that none of the actual performance measurement of the impact level indicators were clear or objectively collected.²¹ On the outcome level, none of the original targets for the four quantifiable outcome level performance indicators was achieved, while only one of the revised targets was met.²² Taking into account that one-third of the outcome indicators did not meet their targets, this validation deems it highly unlikely that the project showed any impact except those stemming from the NFE Policy Framework and assesses the project impact less than satisfactory.²³

B. Performance of the Borrower and Executing Agency

36. The PCR rated the performance of the borrower and the executing agency less than satisfactory. The MOPME and BNFE demonstrated a compelling interest in implementing the project and took continuous efforts to bring the project to completion. However, the government decision to dissolve the DNFE at the project outset led to a 2-year loan suspension period, created a risk of loan cancellation, and resulted in the cancellation of the \$10 million DFID grant. Nevertheless, the project was completed while attaining its main outputs and outcome and showed overall satisfactory development impacts in 29 districts.

37. The newly established executing agency in BNFE lacked the financial management capacity at the beginning, resulting in delays in liquidating the project imprest account. Although the project was physically completed in June 2013, liquidation lasted 4 years after the physical completion of the project and finished in June 2017.²⁴ This validation has a similar view as the PCR and assesses the performance of the borrower and the executing agency less than satisfactory.

²¹ For indicator 1 (number of neo-literates living in poverty reduced), the number of graduates were presented as the result, but no linkage was offered on whether their increase in income due to becoming literate resulted in their income level actually crossing the poverty level. Indicators 2 and 3 were based on the impact study conducted in 2012, which this validation finds highly susceptible to bias, and thus, is not a reliable source of data.

²² The indicators for targets and outcomes were as follows: (i) 32 achieved compared to the target of 210 implementing NGOs (revised to 29) responsible for implementing the PLCE training packages at subdistrict level; (ii) 5 achieved out of the targeted 29 MOPAs (revised to 6) responsible for quality monitoring of PLCE courses; (iii) 39.5% achieved compared to the target of 90.0% employment or self-employment of participants; and (iv) 47.2% achieved versus the target of 60.0% of participating women demonstrating an increased control of their own earnings and investment decisions.

²³ SARD disagrees with this rating and retains the PCR rating of satisfactory as stated in PVR paragraphs 32 and 33. Refer to Appendix 1.

²⁴ Upon project completion, BNFE could not provide a clear financial picture needed for the liquidation of the imprest advance largely due to its weakness on financial management, which also resulted in a larger number of NGOs involved not being paid for their work. To resolve the situation, ADB had to assist BNFE in liquidating the imprest advance and identifying the pending bills to the NGOs. The liquidation delay worsened with all of the original project staff leaving upon project completion and the lack of interest from BNFE management to resolve the problem as they were no longer part of the next continuing education project of ADB.

C. Performance of the Asian Development Bank and Cofinanciers

38. The PCR rated the performance of ADB satisfactory. Upon the government's dissolution of the executing agency, ADB discussed remedial measures to continue and complete the project with the government and DFID. Within 2 years, two conditions to lift loan suspension were fulfilled as (i) a new executing agency was established, and (ii) an NFE national policy framework was adopted, and the project resumed in 2006. At the beginning of the project implementation, supervision from ADB was inadequate due to lack of staff resources. In February 2005, the loan administration was delegated to the ADB Bangladesh Resident Mission, which improved the overall supervision and ensured regular interactions with NFE stakeholders. During the implementation period, ADB conducted four loan reviews, seven joint loan reviews with DFID and SDC, one special loan review, and two project reformulation missions. Because the project was categorized as C for all safeguard aspects, no systematic safeguard supervision was necessary. Available project documentation made no reference to any aspects of environmental performance or to the apparent land acquisition issues with regard to the constructions of CECs as reported in the PCR of the borrower.²⁵

39. The PCR rated the performance of the project cofinanciers, DFID and SDC, satisfactory. Throughout the project implementation, DFID stayed committed to support the NFE agenda. Despite reducing its grant from \$12.0 million to \$2.0 million in 2006, which was due to the implementation delay caused by the loan suspension and other financial commitments of DFID, the agency was actively involved in the reformulation of the project. In November 2006, SDC provided a \$5.0 million grant to cofinance the PLCE project and helped develop a curriculum and supported a plan on the sustainability of learning centers. Both SDC and DFID were committed to develop the NFE Policy Framework and to implement the action plan. This validation is of the same view as the PCR and assesses the performance of ADB and cofinanciers satisfactory.

D. Others

40. According to the PCR, the Supreme Audit Institution of Bangladesh was the auditor for the project and submitted five annual audit reports for fiscal years 2009–2013. There were 65 audit findings, of which 64 were settled. The remaining unresolved audit finding was related to substantiation of expenditure by an implementing NGO. Liquidations of the advances took a long period of time because of the required full set of documents for the summary of expenditure disbursement procedure.

IV. OVERALL ASSESSMENT, LESSONS, AND RECOMMENDATIONS

A. Overall Assessment and Ratings

41. The PCR rated the PLCE project less than successful. At appraisal, the project was relevant to the development priorities of the government and to ADB, but it failed to meet its ambitious goals due to the complexity of the project design and the changing situation on the ground. This validation has the same view as the PCR and assesses the project less than relevant, less than effective, and less than efficient. The recalculated EIRR of this validation is at 14.7%, slightly higher than the threshold discount rate of 12.0% but significantly less than the EIRR of 35.3% at appraisal. The project was implemented for more than 11 years, with a major change in scope and a loan suspension period of 2 years. Partial cancellation of \$33.0 million of the ADB fund and a reduction of DFID grant from \$12.0 million to \$0.4 million actual disbursement

²⁵ Footnote 6.

point to possibly foregone opportunities that might have yielded more meaningful results. The PCR rated the project as likely sustainable. Though this validation notes some positive outcomes, such as the adoption of the NFE Act and NFE Policy Framework for the continuation of PLCE, and financial and institutional commitments by the government for the NFE subsector, it deems the project less than likely sustainable due to the lack of tangible change in the NFE infrastructure and institutional capacity. This validation has the same view as the PCR and gives the project an overall rating of less than successful.

Overall Ratings

Validation Criteria	PCR	IED Review	Reason for Disagreement and/or Comments
Relevance	Less than relevant	Less than relevant	
Effectiveness	Less than effective	Less than effective	
Efficiency	Less than efficient	Less than efficient	
Sustainability	Likely sustainable	Less than likely sustainable	There was little evidence of sustained change (except for the NFE policy framework) as a result of the project.
Overall assessment	Less than successful	Less than successful	
Preliminary assessment of impact	Satisfactory	Less than Satisfactory	Most of the impact level performance results were questionable at best, while one-third of the outcome level performance targets were not met, making it unlikely that any impact (aside from NFE policy) would persist beyond the project cycle.
Borrower and executing agency	Less than satisfactory	Less than satisfactory	
Performance of ADB	Satisfactory	Satisfactory	
Quality of PCR		Satisfactory	Para. 47

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

Source: Asian Development Bank and Independent Evaluation Department.

B. Lessons

42. The following lessons were identified in the PCR: (i) the project design could have benefitted from a thorough stakeholders analysis considering the capacity of participating government agencies and nongovernment organizations to avoid ambitious design with too many outcome and output targets to achieve, which slowed down the implementation process and exposed it to potential fiduciary risks; (ii) ADB needs to coordinate closely with government and development partners during the transition to a new executing agency; and (iii) there is a need to select appropriate contracting methods based on preliminary assessment of the local NGOs' capacity, as the procurements of consultant and NGO selection incurred excessive administrative time and costs during implementation.

43. This validation has the same view as the PCR and offers the following additional lessons:

- (i) **Project-level lesson.** Decentralized and community-based training ensures relevance of skills in demand by the labor market in a particular district. It is also crucial for the PLCE program to equip its graduates with knowledge on microfinancing products and services to help them start their own businesses.

- (ii) **Results framework and methodology-level lesson.** During the DMF exercise, outcomes should describe the immediate and direct project benefits of the outputs of the project. Outcome statements need to articulate changes the project is expected to create. Realistic targets linked to performance indicators need to be set with clear baseline data and time period, and to ensure that these indicators are monitorable and measurable. The DMF, along with the indicators and targets, should be revised and updated accordingly if and when a project goes through a major change in scope (para. 18).

C. Recommendations for Follow-Up

44. The PCR outlined several recommendations, although the following recommendations would more closely qualify as lessons: (i) close dialogue with stakeholders on major changes to loan and project agreements or any other issues, (ii) the government should take a systematic and holistic approach to NFE by providing annual budgets and partnering with NGOs or businesses, and (iii) the project lending modality may not be suitable for the diversified small training programs at the grassroots level across a wide geographic area.

45. Other recommendations from the PCR included (i) the MOPME and BNFE should recognize the good performance of NGOs, acknowledge their contributions to the project, and engage them on a medium- to long-term basis; (ii) the government needs to monitor utilization of project facilities and assets like learning centers, MIS, and trade books; and (iii) monitor the progress of implementing the NFE Act and achieving the performance targets for nonformal education as defined in the Seventh Five-Year Plan of the government. This validation has the same view as the PCR and has no additional recommendations.

V. OTHER CONSIDERATIONS AND FOLLOW-UP

A. Monitoring and Reporting

46. Monitoring and reporting were conducted according to the project requirements. All loan agreement reporting, monitoring, and evaluation requirements were complied with. The baseline survey carried out a mapping exercise of the potential learners of the project and identified the income generating activities by surveying 3,624,844 households in subdistricts, including 1,937,024 (53.4%) male respondents and 1,687,820 (46.6%) female respondents. Around 210 baseline surveys were conducted in 29 districts before selecting learners for the project. The survey results were used in designing the PLCE courses on trade and life skills, which were conducted by the implementing NGOs. Five MOPAs were recruited, which conducted vigorous evaluations and provided bases for contract termination or renewal. Monthly, quarterly, and annual project progress reports were submitted as required. The project implementation and management unit set-up a management information system cell for proper monitoring of the project.

B. Comments on Project Completion Report Quality

47. The PCR is concise and describes the implementation clearly. It provided a candid assessment of the project but presented a more positive preliminary assessment of its sustainability and impact than warranted. It has adequate information and analyses of project outcomes. All PCR appendixes are informative. Appendix 5, with a chronology of main events of the project, was useful for this validation to get an overall understanding of the project implementation period and milestones. Some minor notes on the quality of presentation of the

PCR include the assessment of the project efficiency, which could have included a change in scope of the project and capacity assessment of NGOs to implement project activities. Despite some irregularities in the estimate of the income gain and EIRR, the economic reevaluation of the project was useful in assessing the partial outcome of the project. The overall flow of the issues, lessons, and recommendations is appropriate and provides useful examples to consider in future projects. This validation assesses the quality of the PCR satisfactory.

C. Data Sources for Validation

48. Data sources for this validation include the report and recommendation of the President, PCRs of ADB and the government, mission reports and aide-mémoires of review missions, and project safeguard assessment.

D. Recommendation for Independent Evaluation Department Follow-Up

49. The PCR recommended to prepare the project performance evaluation report to evaluate the sustainability of the project. This validation recommends that further assessment of this project can be covered briefly as part of the country assistance program evaluation of Bangladesh scheduled for 2020.

APPENDIX 1: LINKED DOCUMENTS

Project Completion Report Validation Report of Loan 1881 of Bangladesh: Post-Literacy and Continuing Education Project

1. Economic Reevaluation for PCR Validation Report of Loan 1881 of Bangladesh Post-Literacy and Continuing Education

<https://www.adb.org/sites/default/files/linked-documents/Economic-Reevaluation-PVR-L1881.pdf>

2. Response of Independent Evaluation Department to the Comments of Bangladesh Resident Mission on PCR Validation Report of Loan 1881 of Bangladesh Post-Literacy and Continuing Education

Document available upon request.