

Validation Report
October 2019

Bangladesh: Skills Development Project

Reference Number: PVR-616
Project Number: 39408-013
Loan Number: 2425
Grant Number: 0140



Raising development impact through evaluation

ABBREVIATIONS

ADB	–	Asian Development Bank
CBT	–	competency-based training
DTE	–	Directorate of Technical Education
DYD	–	Department of Youth Development
EIRR	–	economic internal rate of return
GAP	–	gender action plan
MOE	–	Ministry of Education
MTR	–	midterm review
NGO	–	nongovernment organization
NPRS	–	National Poverty Reduction Strategy
NSDP	–	National Skills Development Policy
PCR	–	project completion report
PIU	–	project implementation unit
SDC	–	Swiss Agency for Development and Cooperation
SDP	–	Skills Development Project
SEIP	–	Skills for Employment Investment Program
TVET	–	technical and vocational education and training

NOTE

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

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PROJECT BASIC DATA

Project Number	39408-013	PCR Circulation Date	16 August 2018	
Loan/Grant Numbers	2425 and 0140	PCR Validation Date	Oct 2019	
Project Name	Skills Development 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		B	
Country	People's Republic of Bangladesh		Approved (\$ million)	Actual (\$ million)
ADB Financing (\$ million)	ADF: 50.00 (L2425)	Total Project Costs	66.70	20.50
	OCR: 0.00	Loan/Grant L2425	50.00	13.10
		Borrower	16.70	3.90
		Beneficiaries		
		Others		
Cofinancier	6.00 (SDC)	Total Cofinancing G0140 ^a	0.00	3.50
Approval Date L2425 G0140	6 Jun 2008 17 Dec 2008	Effectiveness Date L2425 G0140	16 Sep 2008 18 Jan 2009	20 Nov 2008 18 Jan 2009
Signing Date L2425 G0140	18 Jun 2008 18 Jan 2009	Closing Date L2425 G0140	30 Nov 2013 30 Nov 2013	24 Jul 2017 8 Sep 2017
Project Officers	K. Chowdhury A. Inagaki R. Van Dael N. Alam	Location ADB headquarters Bangladesh Resident Mission Bangladesh Resident Mission Bangladesh Resident Mission	From 2007 Jan 2010 Jul 2012 Apr 2017	To 2010 Jul 2012 Dec 2016 July 2018
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ADB = Asian Development Bank, ADF = Asian Development Fund, 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 The approved cofinancing from the SDC was \$6 million.

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I. PROJECT DESCRIPTION

A. Rationale

1. In June 2008, the Asian Development Bank (ADB) approved a loan of \$50 million to the Government of Bangladesh to finance the Skills Development Project (SDP).¹ The project responded to the dual needs of reducing the country's high poverty rate while continuing to foster strong economic growth. Economic growth was strongest in the industry and services sectors, particularly in export-oriented textiles and garments. In 2003, only 14% of the workforce was formally employed, mainly in agriculture, trade, and manufacturing. The majority of local employment remained in the informal sector. Remittances from overseas workers were a significant source of foreign exchange. While half of the overseas workers were unskilled laborers, the proportion of skilled and semi-skilled workers was increasing steadily.

2. The National Poverty Reduction Strategy (NPRS) recognized the potential of technical and vocational education and training (TVET) to support economic growth by increasing the supply of skilled and semiskilled workers, while reducing poverty through skills development for underprivileged youth and adults. The TVET system had many weaknesses. It had low relevance to the labor market, the quality of training was poor, and the majority of underprivileged school-leavers who could not meet the minimum entry requirement (grade 8 completion) for formal training programs lacked access to it. The NPRS called for a reform of the TVET system. Reforms aimed to (i) make it more responsive to industry requirements and the training needs of the underprivileged youth and adults, (ii) have better collaboration between the private sector and the nongovernment organizations (NGOs), and (iii) make training programs more flexible. The project responded to this call for reform with a focus on good quality, competency-based modular courses that were accessible to the poor, and courses designed in collaboration with the private sector.

B. Expected Impacts, Outcomes, and Outputs

3. The expected impact of the project was increased wage and self-employment of trained graduates. The expected outcome was a strengthened TVET capacity to provide market-responsive, short-term relevant skills training—to be indicated by (i) increased enrolments in short-term skills training, (ii) a broader reach for teacher training programs, (iii) greater industry involvement in training, and (iv) more female trainees. There were four expected outputs. Output 1 was (i) enhanced relevance of training programs by improving linkages to the labor market, and (ii) increased access by developing short competency-based training (CBT) programs. It had four sub-outputs and eight performance indicators. The sub-outputs were (i) industry-led framework of partnership established; (ii) competency and training standards developed; (iii) CBT curricula, learning guides, learning materials, and assessment tools developed; and (iv) capacity for external competency assessment developed. Output 2 was to improve the capacity to deliver a good-quality TVET program. It had four sub-outputs and 16 performance indicators. The sub-outputs were (i) in-service training provided to TVET teachers; (ii) teacher training facilities upgraded; (iii) training providers strengthened; and (iv) the capacity of the Directorate of Technical Education (DTE) in research, development, and social marketing strengthened. Output 3 was to support the delivery of short-term skills training programs needed by the labor market in priority industries and poor communities. It had two sub-outputs and four performance indicators. The two sub-outputs were to have market-responsive trainings delivered, and skills

¹ ADB. 2008. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the People's Republic of Bangladesh for the Skills Development Project*. Manila.

training delivered in poor communities. Output 4 was to have a well-managed project, with two performance indicators. In total, there were four outcomes and 30 output performance indicators.

C. Provision of Inputs

4. The project became effective in November 2008, and closed in July 2017, 43 months after the planned closing date. The original financing plan was a loan of \$50.0 million from ADB and a government counterpart fund of \$16.7 million. This was supplemented, 6 months later, by a grant of \$6 million from the Government of Switzerland, provided in December 2008 through the Swiss Agency for Development and Cooperation (SDC). The grant became effective in January 2009 and closed in September 2017, 45 months later than planned. The loan was extended four times while the grant was extended three times.

5. According to the project completion report (PCR), the cost at completion was 31% of the estimated appraisal cost.² This deviation was due to a project restructuring undertaken between 2012 and 2014, which significantly reduced the project scope and resulted in partial cancellations amounting to \$33.4 million from the loan, and \$2.6 million from the grant. The largest cancellations under the loan were under output 2, on improved capacity for good-quality TVET delivery. This was originally the core of the project but it was reduced from \$39.5 million to \$4.7 million. Such considerable scale of restructuring was due to serious difficulties in project implementation.

6. Consulting services at appraisal was estimated as 97 international person-months and 260 national person-months. Of these figures, 80 international person-months and 142 national person-months were utilized (62% of planned). The biggest cuts were in the national specialist allocations for TVET policy and competency standards development, and CBT curriculum development. It was not clear from the PCR if these cuts arose from the project restructuring or because there was a lack of suitably qualified local consultants.

7. The project was classified under categories C for environment, C for involuntary resettlement, and B for indigenous peoples. There were no expected adverse impacts on the environment or involuntary resettlement. An indigenous peoples' planning framework was prepared to ensure that those who qualified in the Chittagong Hills and Mymensingh would have equal training opportunities. There was no attached technical assistance.

D. Implementation Arrangements

8. The implementation arrangements agreed at appraisal were followed without changes. The Ministry of Education (MOE) was the executing agency while the DTE was the implementing agency with overall responsibility to plan, organize, manage, and monitor implementation. A project implementation unit (PIU), headed by a project director at a joint secretary level, was responsible for the day-to-day project implementation and overall coordination. A project steering committee chaired by the MOE Secretary was established for policy guidance and approval of annual work plans. MOE also signed memoranda of association with stakeholders.

9. The loan agreement contained 31 covenants and assurances, of which 23 were fully complied with, 1 was complied with but later than scheduled, 3 had partial compliance, and 4 were not complied with.³ The three covenants with partial compliance were (i) the delegation of financial

² ADB. 2018. *Completion Report: Skills Development Project in Bangladesh*. Manila.

³ Two more covenants were reported by the PCR as "no longer relevant." However, as the loan covenants were not revised, and one was due 6 months after the project started, these should be treated as noncompliant.

authority to public training institutions in hiring part-time instructors and instructors for short training courses (not done); (ii) MOE to issue an order to two TVET teacher training institutions to train in public, private, and nongovernment sectors (not done); and (iii) twice a year joint review missions by the borrower and ADB (observed only in the final 2 years of the 9-year period). The two covenants reported in the PCR as noncompliant were (i) the failure of the government to provide adequate resources for training materials, and the operation and maintenance of facilities and equipment in project-supported public training institutions; and (ii) the failure to prepare waste management plans for each training institution in accordance with ADB's Environment Policy.

II. EVALUATION OF PERFORMANCE AND RATINGS

A. Relevance of Design and Formulation

10. The PCR assessed the project less than relevant at appraisal and at completion. The original project design was aligned with the goal of the NPRS to reduce poverty and support economic growth by providing disadvantaged youth and adults with employable skills. It remained consistent with the government's Seventh Five-Year Plan, 2016–2020;⁴ and to ADB's country partnership strategy 2016–2020.⁵ The project aimed to develop new training systems that are responsive to labor market needs, especially for the disadvantaged youth who did not meet the minimum entry qualifications for formal training. To do this, the project focused on developing new systems and capacity for flexible short-term training. However, the design of the project was overambitious and ill-suited to the implementation context. The CBT, which is the foundation of the new system, was complex and time-consuming, and required a wide range of stakeholders from the private sector and NGOs to participate. As disadvantaged youths were the target, skills standards and training materials were needed not just for the selected formal economic sectors (ready-made garments, light engineering, and construction) but also for the informal sector. Yet, the design introduced a training fund that can be accessed by public and private training providers through competitive bidding. Training institutions also had to compete for funding for institutional upgrading from a separate fund.

11. A high level of capacity was necessary to successfully coordinate and develop CBT, oversee and manage the operation of the two funds—both to be run on a competitive basis—and finally, to successfully implement all other project components. It was already known that the capacities of the executing agency and implementing agency were weak. The implementing agency was also unfamiliar with ADB procedures as this was the first ADB assistance to skills development.

12. The PCR noted that the unrealistic performance targets in the design and monitoring framework did not reflect the stakeholder analysis and consultations. The design was too complex, the targets too ambitious, the timelines unrealistic, the project was not ready, and the demands placed upon the government and other stakeholders exceeded their capacity. The capacity development needs that were essential for project implementation were not adequately addressed. The relevance of the project was further undermined by the delay in approving the National Skills Development Policy (NSDP), which was the basis for the key reforms that the project aimed to support, particularly CBT.

⁴ Government of Bangladesh, Planning Commission. 2015. *Seventh Five-Year Plan, FY2016–FY2020: Accelerating Growth, Empowering Citizens*. Dhaka.

⁵ ADB. 2006. *Country Partnership Strategy: Bangladesh, 2016–2020*. Manila.

13. After 3 years with little progress, a joint midterm review (MTR) in March to May 2012 recommended that the project design be streamlined and simplified. Status report showed that the CBT's development was behind schedule, no training providers or training institutions had been engaged to deliver the training, hence, no training was carried out. A centerpiece of the project design—the competitive procurement of training through public and private providers—proved too difficult to implement. No assessors were trained to assess the trainees upon completing their training. Finally, aligning SDP with the requirements of the new NSDP, approved in 2011, also proved difficult. This made accrediting the large number of graduates under the project problematic. The MTR rightly concluded that the project's complex and ambitious nature exceeded the DTE's capacity and the capacity of the sector. The MTR mission recommended a downgrading—from an investment project to an “intervention”—which combined reduced investment with piloting of new approaches in TVET.⁶ It also recommended to reduce the number of trainees—from 68,200 to around 13,000—along with reducing the project cost from \$66.7 million to \$27.2 million.

14. Despite the considerable shrinking of the project's scope and amount, neither the outcome nor the outputs were reformulated. Only the performance targets were revised through a minor change of scope in April 2014. Output 2 (outcome: strengthened training providers), which aimed to provide CBT to 36,000 trainees, was dropped due to reduced investment in institution strengthening. It was replaced by a new target—to pilot five different market-responsive, competency-based, short-term training modalities, in partnership with three focus industry sectors. Output 3, which aimed to deliver extensive relevant skills training, was also scaled down. The planned market-responsive training for 32,200 trainees was reduced to just 4,000 trainees and 1,000 trainees in poor communities. Despite the project's reduced scale (\$24.0 million), its greater emphasis was still on capacity development and piloting of new approaches, which made it more appropriate for the development context and sector capacity. However, these revisions were only approved just 8 months before the project's physical completion in December 2014. To make such fundamental changes to the project through a minor change of scope is also questionable. Even if the project was aligned to the country's and to ADB strategies, its design had significant deficiencies, thus, this validation assesses the project less than relevant.

B. Effectiveness in Achieving Project Outcomes and Outputs

15. The PCR assessed the project less than effective in achieving the outcome and outputs. This was reviewed largely against the revised targets, but the original targets were also discussed in view of the late approval of the revisions. This raises the question: how late should the design and monitoring framework be revised and still use it as the benchmark for project evaluation?

16. The project outcome—strengthened TVET capacity to provide market-responsive, short-term relevant skills training—originally had four performance indicators. The PCR reported that three of the four original outcome targets were met, as follows: (i) total enrollment capacity in short-term skills training increased by at least 6,000 per year until 2013 (although the indicator's wording and the numbers presented to support it were unclear, and did not clearly specify how the increased capacity can be attributed directly to project activities); (ii) public teacher training institutes were serving non-MOE providers (although allowed by the government since 2014, no evidence was presented to prove this was actually happening); and (iii) industry involved in identifying, preparing, and/or delivering training programs (this happened to some extent). The fourth outcome indicator was that 25% of skills trainees would be women. While achievement

⁶ South Asia Department. 2012. Joint Midterm Review Mission to Bangladesh for Skills Development Project. Back-to-office report, 13 May (internal). Manila: ADB.

was below the original target at 19%, it met the revised target of 15%. The fifth output indicator added in 2014 was also met. This was to have pass rates of graduates from project-supported technical schools and colleges improved by 25% from 2011–2014, exceeding the target of 5%. This improvement was presumed to be already apparent in 2014 when the change of scope was approved. Despite achieving three of the four original indicators, it is difficult to argue that the capacity to deliver market-responsive, short-term training could have been achieved as planned given the extensive cuts in the project's final scope and amount.

17. Sweeping changes were also made in the key output performance indicators. The original indicators were reduced from 32 to 27—12 remained the same, 7 were dropped, 7 were scaled down, and 6 were replaced to have easier achievable targets. In addition, two targets were added. By the end of the project, the PCR reported that 13 of the original targets were achieved, 16 (including the 7 that were dropped) were not achieved, and 3 were partially achieved.

18. The project partially succeeded in laying the groundwork for a market-responsive skills training. The suitability of training to labor market needs was improved by involving enterprises in four sector working committees—ready-made garments, light engineering, construction, and informal sectors. Through these committees, 72 skills standards for 26 occupations were developed, with 41 of these standards for 15 occupations approved as national standards by the end of the project. Competency-based learning materials were also developed for 15 standards in five occupations, although these were not used during the project. In addition, 170 competency assessors were trained with 49 successfully certified.

19. Improving the capacity to deliver good-quality TVET—under output 2—was severely affected by the change in scope, which was ironic given the project outcome. Deep changes were made in the (i) plans to strengthen the two vocational teacher training institutions; and (ii) plans to strengthen the programs of 85 public–private and NGO-run training centers, and other DTE training institutions and programs. Instead, 64 public technical schools and colleges were upgraded through refurbishment and staff development. Examinations for the National Skills Certificate 2 and 3 were successfully introduced into these institutions under a new target, giving students who did not complete the formal course the chance to get a certificate. The project provided introductory training in CBT to TVET instructors and teacher trainers. Some 40 master trainers, almost 6,000 TVET teachers, and over 7,000 staff in TVET teacher training institutions received initial training in CBT. To deliver market-responsive training, nine modalities were piloted in ready-made garments, computerized numerical control operation, integrated agriculture, furniture, information technology, publishing, light engineering, auto and solar panel repair, and construction. However, the PCR did not provide details on these pilot works.

20. Output 3, which is the delivery of relevant skills training, was severely affected. Of the original target of 32,000 trainees supposed to receive market-responsive training, only 4,000 trainees were trained. The original plan to strengthen 40 educational institutions through improved facilities, materials, and new trade courses was replaced by a one-off, market-responsive training for 1,000 poor and underprivileged youth. This revised target was met with 3,500 trained in sewing machine operation for employment in the garment industry. Despite the late change of scope, 20 of the 27 revised output targets were fully achieved, and six were partly achieved. Overall, the project failed to achieve 25% of the original outcome targets and 47% of the original output targets.

21. The project was classified as having gender equity for gender mainstreaming. The gender action plan (GAP) aimed to enhance the enabling environment to encourage young women into TVET. This was to occur through (i) raised awareness on gender issues among the TVET

institution staff, (ii) integration of a gender perspective into training courses for teachers and teaching materials, and (iii) disaggregation of data by sex in monitoring systems. The PCR noted some shortcomings in the GAP. Four activities outside the original scope of the project and one outside the revised scope were all dropped at the request of the executing agency. Some targets were lowered during the 2014 minor change of scope. The scaled-down GAP still contained 40 separate gender-related activities and targets, none of which had baselines. All 40 activities were completed satisfactorily with 50% of the targets fully achieved. The project met the outcome in the revised target for female enrollment share in TVET courses—19% against the target of 15%— but not the original target of 25%. Although the PCR reported in detail the GAP achievements by individual activity, it did not assess its impact.

22. This validation assesses the safeguard work quality at appraisal and during the project satisfactory. No adverse environmental impacts were anticipated, and none arose. However, the requirement that training institutions should produce a waste management plan was not fulfilled. There was no involuntary resettlement as all facilities were constructed on existing premises. In accordance with the standard planning framework, all qualified indigenous peoples in the two districts were provided with training. In line with the IED Guidelines for the Evaluation of Public Sector Operations, this validation assesses the project less than effective.⁷

C. Efficiency of Resource Use

23. Despite the 43-month delay in implementation and cancellation of almost 69% of the loan funds, the PCR assessed the project efficient. This was due to the high economic internal rate of return (EIRR) after completion, which was recalculated for the scaled-down project. The 14.6% recalculated EIRR exceeded ADB's hurdle rate of 12%, and the 13.9% EIRR estimated at appraisal.⁸ It was based on estimated employment rates and the expected incremental wage benefits of the participants in the woven garment operator training provided through the Bureau of Manpower, Employment and Training; the market-responsive training for the unemployed at polytechnics; and the integrated agriculture training provided by the Department of Youth Development (DYD), which were significantly higher than the minimum wage.⁹ Most of the 13,027 trainees were poor and underprivileged youth and women. For employment rates and salaries, the PCR used the data obtained from a graduate tracer study.¹⁰ The employment/self-employment rates were found by the tracer study to be 57% for the market-responsive CBT, 50% for the training in basic agriculture, and 26% for the garment operator graduates. Compared to the minimum wage, these salaries were generally much higher than estimated at appraisal, which accordingly yielded a higher EIRR.

24. The direct economic benefits for the graduates exceeded the reduced investment cost of \$20.4 million. The PCR noted other project benefits that were not quantified, including (i) the training given to 5,735 instructors and 7,727 staff of technical teacher training colleges; (ii) expanded enrollment capacity in various TVET institutions for the continued provision of market-responsive, CBT; (iii) the CBT curricula that were developed for 25 priority occupations

⁷ Independent Evaluation Department. 2016. *Guidelines for the Evaluation of Public Sector Operations*. Manila: ADB. The IED guideline specify that if design deficiencies led to changes in scope and were introduced late, then downgrading the effectiveness rating is warranted (para. 32).

⁸ Footnote 2, Appendix 13.

⁹ For example, a 30% rise in average monthly earnings was considered for graduates from the DYD and Bureau of Manpower, Employment and Training, as the trainees were mainly unemployed youth, which was far beyond the minimum wage.

¹⁰ Bangladesh Institute of Development Studies. 2015. *Tracer Study on the Graduates of Technical and Vocational Education and Training in Bangladesh*. Dhaka.

and will continue to be used; and (iv) the knowledge and skills on how to develop relevant CBT curricula, which were transferred in partnership with the industry sector. While the analysis showed that the benefits to the 12,500 beneficiaries did meet the required hurdle rate due to the high incremental earnings, there were factors which affected the project's efficiency: (i) extension of completion by three times, (ii) ran 43 months past the scheduled closing date, (iii) spent just 30.6% or \$20.4 million of the project amount (less than the \$24.0 million approved in the change of scope), and (iv) trained only 19% of the original target of 68,200. However, on the whole, this validation assesses the project efficient.

D. Preliminary Assessment of Sustainability

25. The PCR assessed the project likely sustainable. It noted that the government has a strong commitment to skills development, manifested through the NSDP and the National Technical and Vocational Qualifications Framework, and the formation of the National Skills Development Council in 2011 to oversee the implementation of the policy. ADB's ongoing Skills for Employment Investment Program (SEIP) tranche 1 focused on the market-responsive training model, as piloted under SDP. Training was developed and delivered in six priority economic sectors in collaboration with leading industry associations, as piloted under SDP. Three of the sectors and industry associations were the same as in SDP, and the skills standards and training packages developed under SDP will be used for the CBT programs. The government's commitment to skills development is shown in its growing financial support to the sector, which has increased tenfold over the last 7 years. The government's share just constituted a small portion of the overall education budget. The sector also continues to receive extensive financial and technical support from major development partners, including the World Bank, the Canadian International Development Agency, the Department for International Development, SDC, and ADB. While it is true that there is strong support for TVET, and the concept of market-responsive training is at the core of SEIP, SDP's contribution to this work had been limited. In addition, SEIP was transferred to the Ministry of Finance from MOE due to its capacity limitations. Although most of the TVET system strengthening planned for SDP did not take place during the project, this validation assesses the project likely sustainable, based on the support given to skills development (para. 19).

III. OTHER PERFORMANCE ASSESSMENTS

A. Preliminary Assessment of Development Impact

26. The PCR rated the development impact of the project satisfactory. The intended impact of the project was increased wage and self-employment of skills training graduates. The PCR stated that the impact performance indicator—the proportion of trainees employed from project-supported training programs increased by 50%–75% in 2015—was achieved based on the 2015 tracer study.¹¹ However, the scale of the impact on wages and employment was smaller than originally intended due to the reduced number of trained graduates.

27. The project opened more opportunities for women by successfully introducing short upskilling courses for women garment workers; and by attracting women into nontraditional training courses, such as welding, plumbing, and masonry. Most of the women trained were subsequently employed. The government's completion report noted that there was a strong demand among women for both traditional and nontraditional training under the project. By showcasing women's successful participation in TVET training and the high employment

¹¹ Footnote 2, p. 13.

salaries following their training, the project paved the way for the continued expansion of short-term, market-responsive training for women. Nevertheless, these impacts are on a much smaller scale than planned originally. This validation assesses the development impact of the project satisfactory.

B. Performance of the Borrower and Executing Agency

28. The PCR rated the performance of the borrower and the executing agency less than satisfactory. It cited serious weaknesses in project leadership and management including (i) frequent replacements of the project director; (ii) inexperienced PIU staff, leading to delayed procurement of consultants and goods and works; and (iii) weak financial control and management. The long delay in approving the NSDP and the National Technical and Vocational Qualifications Framework had serious consequences in the timely rollout of the CBT, the core of the project. It appeared that government systems for monitoring project progress and addressing implementation issues were also deficient. The combined effect of these shortcomings led to the very slow progress up to 2012, then to the large loan cancellations and substantial scaling down of the project. However, the PCR noted the executing agency's strong commitment to skills development. It provided adequate counterpart funding to improve project management after the MTR, and met most of the loan covenants. Based on the above, this validation assesses the performance of the borrower and executing agency less than satisfactory.

C. Performance of the Asian Development Bank and Cofinanciers

29. ADB's performance was rated by the PCR less than satisfactory. The project as designed was too broad in scope and too complex for the executing agency to implement. New market-responsive training models, which required competitive bidding and outsourcing of training to the private sector, far outstripped the implementation capacity of the relatively inexperienced PIU. The PIU was even unable to manage the more routine tasks, such as procurement and management of the large consulting services contract, or ongoing procurement of goods and civil works. There were also simultaneous issues with the policy framework. The introduction of CBT relied upon the significant reform of the TVET sector, which required a new TVET policy and a national qualifications framework. These were not put in place until halfway through the project—which significantly impeded the project's progress.

30. Despite these issues, ADB failed to extend proper support to the project. After the inception mission in July 2008, ADB fielded only one mission in April 2009. ADB failed to field a single review mission over the next 3 years, despite consistent ratings of unsatisfactory project performance, and many unaddressed implementation issues. This was also in contravention of the loan covenant that required joint reviews of project progress at least twice a year. A joint MTR mission in March to May 2012 recommended a significant reduction in the project scope and loan amount. There was no attempt to resolve the accumulated project issues. Despite the scale of the changes recommended, ADB waited 18 more months before fielding a review mission in late 2013, and then did not process the minor change of scope until April 2014—toward the final stage of the project's completion. Given these problems, it is difficult to understand the seeming lack of project supervision and oversight. This validation assesses the performance of ADB less than satisfactory.

IV. OVERALL ASSESSMENT, LESSONS, AND RECOMMENDATIONS

A. Overall Assessment and Ratings

31. The project was rated less than successful by the PCR as it was less than relevant, less than effective, efficient, and likely sustainable in achieving the project outcome and outputs. This validation likewise assesses the project less than relevant, less than effective, efficient, and likely sustainable. The initial project design was too ambitious, too broad in scope, too complex, had an unrealistic time frame, and did not adequately mitigate sizeable implementation risks, thus, it is viewed less than relevant. The project is assessed less than effective since despite the substantial reworking of the project, a substantial number of targets were not achieved. The project is assessed efficient based on the higher-than-expected recalculated EIRR, which was attributed to the high incremental earnings of the garment and other types of workers. On a broader perspective, the project was considerably delayed. Despite the small budget support from the government, the project had sufficient support from donors and was able to establish a CBT model that continues to be offered by some institutions. Based on these, this validation views the project likely sustainable. Overall, this validation considers the project less than successful. The table below summarizes the ratings.

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	Efficient	Efficient	
Sustainability	Likely sustainable	Likely sustainable	
Overall Assessment	Less than successful	Less than successful	
Preliminary assessment of impact	Satisfactory	Satisfactory	
Borrower and executing agency	Less than satisfactory	Less than satisfactory	
Performance of ADB	Less than satisfactory	Less than satisfactory	ADB's lack of project supervision and foresight on the problems and issues that accumulated over time is difficult to understand.
Quality of PCR		Satisfactory	Para. 36.

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

B. Lessons

32. The PCR identified four project-specific lessons that are supported by this validation. These include (i) a realistic capacity assessment of the executing agency and implementing agency would have improved project targets and implementation arrangements, (ii) an effective review of project readiness would have revealed implementation issues, (iii) better monitoring and

support by ADB early on would have alleviated the delays that arose from weak procurement capacity, and (iv) stronger stakeholder consultation would have led to realistic project targets. All four lessons relate to ways in which the design and implementation of the project could have been strengthened.

33. This validation identifies the following four **sector-level lessons**:

- (i) **Introduction of CBT requires considerable up-front work** to appropriately enable the environment. This includes (a) an industry partnership mechanism to develop relevant competency and training standards; (b) a supportive policy framework and appropriate structures and mechanisms for developing, approving, and regulating these standards; (c) curricula and training materials for implementing the training standards; and (d) appropriate training institutions and assessment centers with well-trained staff. Clear arrangements must be made to ensure the timely acquisition or development of skills standards and training packages in local languages. Only after these elements are in place can large-scale training begin.
- (ii) **Institutional and sector capacity development is a priority.** Significant up-front capacity development within the TVET sector and government regulatory and implementation agencies should be undertaken before implementing large-scale training programs, even if the economic benefit is lowered. The capacity needs that inevitably accompany the introduction of significant reform cannot be fully met by just consultants' support.
- (iii) **Introducing multiple new modalities without piloting increases risk.** The introduction of various training modalities that was new to the Bangladesh TVET sector imposed significant demand on the system. This meant transforming the original, large investment project into an intervention and piloting new modalities. The innovations of CBT and the competitive tendering to provide training were both difficult to implement.
- (iv) **Complex reforms and benefit calculation in TVET need a longer timeline.** This is to allow the piloting to take place and other needed preparations. Provision for calculating the economic benefits over a longer period should be allowed. This will alleviate the pressure to set unrealistically high training targets too early in the reform process.

C. Recommendations for Follow-Up

34. The PCR made five recommendations, as follows: (i) establish a national web-based tracking system to track trainees during and after training, to guide the future development of the TVET sector, and allow a more accurate estimate of the benefits; (ii) for ADB to follow up on the six outstanding audit observations; (iii) for the government to establish a monitoring system to monitor and assess the quality of training programs offered by all training institutions; (iv) for the government to ensure the sustainability of the seven regional offices constructed under the project; and (v) include DYD as a partner skills training agency in ongoing and future projects. This validation supports these and adds that there should be continued emphasis on the ongoing monitoring and evaluation of training quality, training providers, and training outcomes for different training modalities.

V. OTHER CONSIDERATIONS AND FOLLOW-UP

A. Monitoring and Reporting

35. A project performance monitoring system was established, and data were collected on public and private TVET institutions, gender, ethnicity, socioeconomic, and poverty indicators—in compliance with the loan covenants. It appears, however, that no baseline data was ever collected for the GAP. There is also no indication in the PCR on how well the project monitoring system operated, but ADB back-to-office reports indicated the need for improved project reporting, monitoring, and evaluation. The serious ADB deficiencies in monitoring and supervision contributed to these shortcomings. Near the end of the project, a report on the lessons learned was prepared, but it was not reviewed in the PCR.

B. Comments on Project Completion Report Quality

36. The quality of the PCR is satisfactory. The major issues were covered in reasonable detail, and the project achievements were presented in the form of quantitative data. These data were used throughout the PCR to support the conclusions and provide evidence for the project ratings. The findings of a graduate tracer study were also used to assess the project impact. Reasons for scaling-down the project were reasonably well documented and insights were offered to explain the project's failings. While it is acknowledged that this was a difficult PCR to prepare given the many changes that took place, a clearer description of these changes and their implications was needed. This validation went through many documents trying to understand exactly what components were deleted; the rationale for the revised design; what these meant in achieving the outcomes; and exactly what types of training were delivered, by whom, and under what modality. It was, however, helpful that the PCR reported on both targets—original and revised—since the revisions were undertaken almost at the tail end of the project.

C. Data Sources for Validation

37. This validation used the report and recommendation of the President and related appendices, the PCR, the government's completion report, back-to-office reports and aide memoire, the minor change of scope document, and the project safeguard assessment.

D. Recommendation for Independent Evaluation Department Follow-Up

38. There are no recommendations for follow-up of the project.