

**Validation Report**  
September 2021

# Kyrgyz Republic: Second Vocational Education and Skills Development Project

Reference Number: PVR-766  
Project Number: 38298-023  
Loan and Grant Numbers: 2902, 0307

Independent  
Evaluation  ADB

*Raising development impact through evaluation*

## ABBREVIATIONS

ADB	–	Asian Development Bank
APVE	–	Agency for Primary Vocational Education
CBT	–	competency-based training
DMF	–	design and monitoring framework
EIRR	–	economic internal rate of return
GAP	–	gender action plan
ICT	–	information and communication technology
MIS	–	management information system
MTR	–	midterm review
MOES	–	Ministry of Education and Science
NPSDC	–	National Professional Skills Development Council
PCR	–	project completion report
PIU	–	project implementation unit
PSC	–	project steering committee
PVS	–	primary vocational school
SDF	–	Skills Development Fund
SVS	–	secondary vocational school
TTQF	–	teachers' training qualifications framework
TVET	–	technical and vocational education and training

## NOTE

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

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## PROJECT BASIC DATA

<b>Project number</b>	38298-023	<b>PCR circulation date</b>	17 Nov 2020	
<b>Loan and grant numbers</b>	2902, 0307	<b>PCR validation date</b>	Sep 2021	
<b>Project name</b>	<b>Second Vocational Education and Skills Development Project</b>			
<b>Sector and subsector</b>	Education	Technical and vocational education and training		
<b>Strategic agenda</b>	Inclusive economic growth			
<b>Safeguard categories</b>	Environment		C	
	Involuntary resettlement		C	
	Indigenous peoples		C	
<b>Country</b>	Kyrgyz Republic		<b>Approved (\$ million)</b>	<b>Actual (\$ million)</b>
<b>ADB financing (\$ million)</b>	<b>ADF:</b> 10.00 (G0307) 10.00 (L2902)	<b>Total project cost</b>	23.50	21.52
		<b>OCR:</b> 0.00	<b>Loan and grant</b>	20.00
	L2902		10.00	8.30
	G0307		10.00	9.57
		<b>Borrower</b>	3.50	3.65
		<b>Beneficiaries</b>	0.00	0.00
	<b>Others</b>	0.00	0.00	
<b>Cofinancier</b>	–	<b>Total cofinancing</b>	0.00	0.00
<b>Approval date</b>	28 Sep 2012	<b>Effectiveness date</b>	20 Mar 2013	1 Jul 2013
<b>Signing date</b>	20 Dec 2012	<b>Loan closing date</b>	31 Mar 2018	30 Sep 2019
		<b>Financial closing date</b>	–	30 Sep 2019
<b>Project officers</b>	M. Van Der Auwera J. Asanova J. Sarvi F. Mayr M. Razaev	<b>Location</b>	<b>From</b>	<b>To</b>
		ADB headquarters	1 Oct 2012	30 Sep 2013
		ADB headquarters	3 Sep 2013	25 Oct 2015
		ADB headquarters	26 Oct 2015	8 Mar 2016
		ADB headquarters	9 Mar 2016	27 Dec 2016
		Kyrgyz Resident Mission	28 Dec 2016	30 Sep 2019
<b>IED review Director</b>	J. Asquith, Director, IETC			
<b>Team leader</b>	H. Hong, Senior Evaluation Specialist, IETC*			

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.

\*Team members: E. Gozali (quality reviewer), A. Morales (Senior Evaluation Officer), W. Duncan (consultant).

## I. PROJECT DESCRIPTION

### A. Rationale

1. By 2011, the Kyrgyz economy had rebounded from the impact of the global financial crisis that started in 2008 and was growing at around 6% annually. The government was committed to implementing the Medium-Term Development Program 2012–2014, which aimed to expand seven priority economic sectors to drive growth and create jobs for the growing labor force.<sup>1</sup> However, growth was constrained by pervasive skills shortages. The labor market was

<sup>1</sup> The seven priority sectors were construction, mining, energy, tourism, light industry (textile and garments), land transport, and agriculture/agro-processing.

characterized by an oversupply of unskilled labor from basic education and professionals from higher education, alongside a shortage of well-qualified middle-level skilled labor.

2. The Asian Development Bank (ADB) approved the Second Vocational Education and Skills Development Project in September 2012.<sup>2</sup> The project built upon the achievements of the first Vocational Education and Skills Development Project, which supported reforms to improve the effectiveness and efficiency of the primary technical and vocational education and training (TVET) system.<sup>3</sup> The reforms included the introduction of competency-based training (CBT) to ensure that students mastered specific competencies and occupational skills needed in the workplace; improvement in teaching and teacher development; and consolidation of urban vocational schools into regional centers to better meet local skill needs.

3. TVET in the Kyrgyz Republic is provided through public primary vocational schools (PVSs) designed to develop skilled workers, and public and private secondary vocational schools (SVSs) developing industrial foremen and supervisors. Completion of grade 9 is required for entry into both primary and secondary programs. The PVSs are centrally administered by the Agency for Primary Vocational Education (APVE) under the Ministry of Education and Science (MOES). While the SVSs are under the management of different ministries and organizations, depending on the sector. At appraisal, there were 110 PVSs and 117 SVSs, of which 59 schools were selected as project schools (41 PVSs and 18 SVSs).

4. The project supported the modernization of the TVET system. It extended the achievements of the earlier project through support to secondary TVET countrywide, and to primary TVET in rural areas. It focused on training middle-level skilled labor for immediate employment in the seven priority sectors (footnote 1). The project complemented the ADB-supported Investment Climate Improvement Program which supported the establishment of the National Professional Skills Development Council (NPSDC) in 2012.<sup>4</sup> The NPSDC provided a framework for policymakers and employers to ensure that the TVET system was well coordinated and relevant to labor-market needs.

## **B. Expected Impact, Outcome, and Outputs**

5. The expected impact of the project was inclusive growth through greater employment opportunities for TVET graduates. The expected outcome was stronger quality, relevance, efficiency of, and more equitable access to TVET. The project had four interrelated outputs. Output 1 was rationalized primary TVET system and modernized TVET system. These entailed development and piloting of a primary TVET rationalization program aiming to better align TVET with regional economic needs and strengthen linkages with secondary TVET, training schools to develop and implement strategic plans, support to NPSDC and seven new sector councils, development and implementation of a per capita financing framework, strengthening of the TVET management information system (MIS), and establishment of the Skills Development Fund (SDF) to provide demand-driven short term training. Output 2 was improved TVET teaching and learning environments by rehabilitating and equipping vocational schools. Output 3 was developed curriculum, teaching, and learning materials for TVET through the formulation of new occupational

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<sup>2</sup> ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Grant to the Kyrgyz Republic for the Second Vocational Education and Skills Development Project*. Manila.

<sup>3</sup> ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Grant to the Kyrgyz Republic for the Vocational Education and Skills Development Project*. Manila.

<sup>4</sup> ADB. 2008. *Report and Recommendations of the President to the Board of Directors: Proposed Asian Development Fund Grant for the Program Cluster, Grant for Subprogram 1, and Grant Assistance to the Kyrgyz Republic for the Investment Climate Improvement Program*. Manila.

standards, development of competency-based curricula, and training of independent assessors. Output 4 was strengthened quality of TVET delivery, mainly through development and piloting of TVET teachers' qualification framework and tools to assess teacher competence.

### **C. Provision of Inputs**

6. The project was approved in September 2012. It became effective in July 2013 and was completed in April 2019 after an extension of 13 months, resulting from delays in several project activities. The project was financed by a loan of SDR 6,634,000 (equivalent to \$10 million) and a grant of \$10 million, both from ADB's Special Funds resources. The loan and grant were closed in September 2019. At completion, the actual project cost was \$21.52 million, or 91.6% of the estimated project cost of \$23.50 million. ADB's actual expenditure was \$17.87 million (\$9.57 million from the grant, and \$8.30 million from the loan). The government's actual expenditure was \$3.65 million, or 104.43% of the appraisal estimate. The biggest difference between the actual cost and appraisal estimate by component was for consulting services, which increased from \$1.93 million to \$2.53 million because of additional consultant inputs utilized. The training component was reduced from \$1.24 million to \$0.4 million in line with a reduction in the training target.

7. The project utilized 51 person-months (planned was 37 person-months) of international consulting services and 1,110 person-months (planned was 447 person-months) of national consulting services. The need for increased consulting services to overcome implementation bottlenecks was identified during the midterm review (MTR) in April 2015. Additional consultants were approved to support implementation of key project outputs. A consulting firm and an auditing firm were recruited using the quality and cost-based selection method, while the additional consultants were recruited through individual consultant selection.

8. The project's safeguard was classified category C. There were no negative environment or resettlement impacts from the minor rehabilitation of facilities, while the project did not affect ethnic minorities.

9. The project's gender action plan (GAP) set gender targets and activities for three of the four project outputs to improve the gender-responsiveness of the project. GAP comprised 16 activities and 12 targets. A gender consultant and a gender focal point in APVE-supported GAP implementation.

### **D. Implementation Arrangements**

10. The APVE was the executing agency, and it also served as the NSPDC Secretariat. A project implementation unit (PIU), headed by a project manager and comprising PIU staff and project consultants, supported APVE to implement the project. The NPSDC, chaired by the vice-prime minister, served as the project steering committee (PSC). Its members were senior government officials and representatives of employer organizations. The implementation arrangements remained the same throughout the project and were generally adequate. The MTR noted that the high-level membership of the NPSDC hampered its effectiveness, so the membership was revised in a 2017 decree to include more active industry associations. However, the NPSDC struggled to fulfill its broader responsibilities beyond the PSC.<sup>5</sup>

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<sup>5</sup> ADB (Central and West Asia Department). 2017 and 2018. Project Review Missions to the Kyrgyz Republic: Second Vocational Education and Skills Development Project. Aide Memoire. 21 July 2017 and 20 July 2018 (internal).

## II. EVALUATION OF PERFORMANCE AND RATINGS

### A. Relevance of Design and Formulation

11. The project completion report (PCR) rated the project relevant.<sup>6</sup> It addressed the binding constraint of skilled labor shortages identified in the government's Medium-Term Development Program 2012–2014. It was aligned at completion with the National Sustainable Development Strategy 2018–2040 through its emphasis on a competitive economy and human capital development, as well as the Education Development Strategy 2021–2040. It was also in line with the goal of reducing disparities in access to economic opportunities in ADB's country partnership strategy for the Kyrgyz Republic, 2013–2017.

12. The design and monitoring framework (DMF) set out clear impact, outcome, and outputs that were linked in a logical results chain. The performance indicators were generally relevant, although a couple did not have clear, measurable targets, such as the frequency of NSPDC meetings to coordinate national skills development and improved access for people with disabilities. An indicator could have been set up to measure the employability of those trained against a similar group of youth that received no training. There were questions about the accuracy of some baseline data, which did not match with later official statistics. Minor modifications were made to the DMF through a minor change approved soon after the MTR.<sup>7</sup> Some targets were lowered to take account of implementation delays, while the target for the development of occupational standards was reduced substantially because it was unrealistic.<sup>8</sup> This validation acknowledges the reduction was appropriate. One weakness of the project design was a lack of foresight on the administrative and legal hurdles involved in setting up the SDF, which resulted in a 3-year delay. The PCR did not also provide information on the appropriateness of the criteria and procedures adopted for selecting the project schools, or whether all schools selected satisfied the selection criteria.

13. The project modality was appropriate. It ensured strong ownership of the reforms by MOES and APVE and helped build their institutional capacity. The small size of the project and the focus on specific actions and activities were also suited to this modality.

14. The project introduced reforms with the potential to fundamentally change TVET by raising the quality of training and linking it more closely to the needs of the labor market. These included the successful introduction of the SDF, which allowed the skill needs of enterprises to be addressed promptly through short-term training delivered by private providers; the implementation of CBT developed in collaboration with employers; and the introduction of a TVET funding formula to improve equity and efficiency in government budget allocations. Using project savings, four model centers were established in 2019 to pilot a work-based learning model, wherein students strengthened their practical and entrepreneurial skills while schools earned income and improved their financial sustainability. Given the range and significance of these initiatives, the sound project design, and its relevance to government and ADB strategies, this validation assesses the project relevant.

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<sup>6</sup> ADB. 2020. *Completion Report: Second Vocational Education and Skills Development Project in the Kyrgyz Republic*. Manila.

<sup>7</sup> ADB (Central Asia Department). 2016. Request for a Minor Change to a Project and Reallocation of Grant Proceeds. Memorandum. 4 February (internal).

<sup>8</sup> The project design specified 45 occupations for development of occupational standards, but this was reworded to "more manageable 45 qualifications," as each occupation encompassed several qualifications.

## B. Effectiveness in Achieving Project Outcome and Outputs

15. The PCR rated the project effective in achieving expected outcome and outputs. It stated that all except one of the outcome and output performance targets were met or exceeded. The outcome of stronger quality, relevance, efficiency of, and more equitable access to TVET had four performance indicators, of which three were achieved and one was substantially achieved. The first outcome indicator was increased enrollment in vocational schools. However, enrollment across all PVSs fell from 32,106 in 2010 to 29,870 in 2018, thus failing to meet the target of 40,000. For SVSs, only data for the 18 project schools was reported in which enrollments rose from 5,382 to 13,845 in 2018, exceeding the target of 7,000. The PCR referred to inconsistencies in the baseline data that may explain the drop in primary TVET enrollments. Total enrollment in all PVSs and the project's 18 SVSs in 2018 was 43,715, substantially achieving the target of 47,000. The second indicator, participation in short courses by adults and out-of-school youth, also exceeded the target (22,155 in 2018 compared with the target of 16,068). The third performance indicator was a 70% average passing rate on the new independent competency assessment of graduates from all project schools. This was achieved, although for just 12 graduates. The outcome, which was an increase from 10% to 25% in the share of revenue of project schools from income-generating activities, was exceeded, with the average share reaching 30%.

16. The project had four outputs, with 19 indicators and targets. This validation assesses that the project fully achieved 15 output targets, substantially achieved 1, partly achieved 2, while 1 target for the NPSDC was not measurable. Under output 1, the rationalization of primary TVET and modernization of the TVET system, five targets were achieved, one was partly achieved, and one could not be assessed. A key achievement was the establishment of the SDF, which delivered quality short courses through the PVSs and SVSs, with the close involvement of employers. By project completion, 17,503 people were trained, of which 49% were women and 477 had disabilities, exceeding the target of 15,000 disadvantaged participants (30% women).<sup>9</sup> Other achievements were the preparation by all PVSs of gender-sensitive 3-year and annual plans, publication of a statistical yearbook in 2015 (although not annually as planned), and successful carrying out of tracer studies in all PVSs.

17. This validation considered the target approval and implementation of a national rationalization strategy for primary TVET as partly achieved. The rationalization program was approved in 2017, and two provinces launched regional rationalization plans. However, the PCR did not provide any evidence on implementation or plan achievements. This validation cannot assess the achievement of the NPSDC meeting 'as often as necessary' to coordinate national skills development. The seven sector councils established to support the NPSDC were generally not active, leading to their eventual replacement with direct partnerships with local business associations. These proved more effective and sustainable than the project-initiated sector councils.

18. Other important project achievements not stated in the DMF were the introduction of per capita financing for TVET schools, the strengthening of income-generating activities at school level to enhance sustainability, and the establishment of the four model centers to pilot a training approach linked more directly to the skills needed in workplaces.

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<sup>9</sup> Although no evidence was provided in the PCR about course selection procedures or enrollment profiles to confirm that the participants were disadvantaged.

19. Output 2, improved TVET teaching and learning environments, had four targets. This validation assesses three as achieved and one as partly achieved. All targets for rehabilitation of workshops, computer classrooms, and dormitories were met or exceeded. Over 80% of the project schools were located outside the main urban areas, exceeding the 70% target. However, improving access for people with disabilities in 260 workshops and 60 computer classrooms is assessed only partly achieved. The project installed wheelchair ramps and handrails at the entrances of 41 schools but made no modifications to learning spaces, although 71,465 students (33% female) benefited from the improved buildings and facilities against the target of 50,000 students (at least 30% female).

20. For output 3, development of curricula, teaching, and learning materials for TVET, four of the five targets were achieved, and one was substantially achieved. Key achievements were the development and approval of occupational standards for 45 priority occupations and 41 competency-based curricula. After piloting, 33 modular CBT courses were adopted and implemented in all schools. The standards, training programs, and training materials were distributed to PVSs and SVSs in 2019 (target 2017). Finally, 257 competency assessors (target 270) were trained and certified in 2018 (39% female against a target of 50%). In the 2017/2018 academic year, the new competency assessment system was successfully piloted in 12 PVSs, with 76% of 426 students certified.

21. All three targets under output 4, strengthened quality of TVET delivery, were achieved. Training targets on a variety of relevant topics were considerably exceeded. A significant achievement was the development of a TVET teachers' qualification framework to define professional requirements for TVET teachers. The associated training programs and competency assessment tools trained and certified 603 teachers (440 primary and 163 secondary teachers, 42% women) for the level 1 qualification to meet the target. In addition, the project addressed the low information and communication technology (ICT) skills of teachers by developing e-learning courses on ICT and a teachers' guide for designing and implementing e-courses.

22. All GAP activities were completed and 11 of 12 targets were achieved. The major achievements included improved access of girls and women to TVET, which targeted an annual increase of 2%. The number of girls in TVET exceeded the target every year from 2015 to 2017 (2.5% in 2015, 6.5% in 2016, and 8.4% in 2017). Project activities succeeded in encouraging women to move away from the dominant occupations of seamstress, hairdresser, and cook into a broader range of occupations in ICT, machines, transport, and energy. More than 9,000 women benefited from short-term training through the SDF, and 72% found employment in the clothing and food industries, ICT, and services sector. The project's gender actions increased female enrollment in TVET and raised their employment in sectors with a high labor demand. Social marketing campaigns improved perception towards women who were able to get into male-dominated sectors.

23. Given the successful achievement of outcome and outputs, and the satisfactory achievements of GAP, this validation assesses the project effective.

### **C. Efficiency of Resource Use**

24. The PCR rated the project efficient. Process efficiency was satisfactory as funds were used efficiently, yielding savings of \$578,000 (4% under the loan and 2% under the grant), while still fulfilling most of the outcome and outputs targets (footnote 6). These savings were utilized during the extension period to carry out additional activities including civil works and provision of training equipment. There was no mis-procurement and all audit reports had unqualified opinions.

25. The cost–benefit analysis was recalculated to yield an economic internal rate of return (EIRR) of 23.5% against the appraisal estimate of 20.8%. Some weaknesses in the original cost–benefit analysis were addressed in the reestimation by using more conservative assumptions for the wage premium and timing for the calculation of benefits. The actual total project cost was lower than the appraisal estimate. The enrollment figures used at appraisal were revised based on the latest official data. Other appraisal assumptions could not be tested against actual data because it was not available. While wage premiums were revised downwards for the reestimation (from 11% to 3% for short courses, and from 14% to 5% for long courses), these figures were not based on real data. As the PCR did not include details of the economic and financial re-analysis, it is not possible to assess the soundness of the new figures. To bolster the economic analysis, the PCR might have considered the unit costs for short-term training under SDF in comparison with similar schemes in the region, although it is acknowledged this would be complex. Given the efficient use of funds and the high recalculated EIRR (with the stated caveat), this validation assesses the project efficient.

#### **D. Preliminary Assessment of Sustainability**

26. The PCR rated the project most likely sustainable. The government prioritized improving youth employment and employability, especially for youth from poor families, and reducing adult unemployment. The PCR stated that about 6% of the national education budget was allocated to TVET. However, there was no financial analysis in the PCR indicating the adequacy of the allocations to TVET, recent budget trends, or the ability of the TVET budget to sustain the incremental expenditures needed to sustain project gains. The PCR acknowledged that the coronavirus disease (COVID-19) pandemic has caused a budget deficit that may temporarily reduce budget allocations to TVET, as with many sectors, but projections are not possible at present.

27. At the school level, the introduction of per capita financing encouraged the efficient use of infrastructure and staff resources, and a cost-effective approach to TVET reforms. The financial sustainability of vocational schools was also enhanced by the entrepreneurial approach to school management introduced under the project. School budgets in project schools increased by 30% because of the school-generated income. This will help ensure the continued maintenance and sustainability of the rehabilitated school infrastructure.

28. Within APVE, there was strong ownership of the TVET rationalization and modernization program. The NPSDC supported and reinforced the momentum for reforms, the policy guidance it provides, as well as the strong partnerships with employer associations. These associations formed an advisory board to ensure the relevance of vocational education reforms and policies. A ministerial decree has ensured the continued implementation of the national procedures for CBT, competency-based curricula, competency-based assessment, and the teachers' training qualifications framework (TTQF). The SDF provided a successful model for short-term training on a competitive basis. The reforms—promoting better teaching and improved learning environments—strengthened linkages with industry. Development of entrepreneurial skills remain key priorities of the government and are receiving continued support under the follow-on skills development project.<sup>10</sup>

29. The government accorded priority to improving employability and raising employment rates, which augured its continued support to TVET reform and the project initiatives. The high level of

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<sup>10</sup> ADB. 2017. *Report and Recommendation of the President to the Board of Directors: Proposed Grants to the Kyrgyz Republic for the Skills for Inclusive Growth Sector Development Program*. Manila.

ownership within APVE, strengthened institutional capacity at central and school levels, the establishment of a strong institutional framework for TVET comprising NSPDC and employer associations, the institutionalization of the SDF along with CBT and the TTQF, all indicate good prospects for the sustainability of project outputs and outcome. However, the PCR failed to demonstrate that the project is financially sustainable. On the whole, this validation assesses the project likely sustainable.

### III. OTHER PERFORMANCE ASSESSMENTS

#### A. Preliminary Assessment of Development Impact

30. The PCR rated the development impact of the project highly satisfactory. The expected impact of the project was inclusive growth through improved employment opportunities for TVET graduates, measured through an increase in the number of workers in the labor force with TVET qualifications. The targets were an increase, from 2010 to 2020, of 25% for males and urban graduates, and 30% for females and rural graduates. By 2017, the proportion of female workers with TVET qualifications increased from 15.8% to 20.8%, a 32% increase which already met the 2020 target. The proportion of rural workers with TVET skills also increased by 26% (from 12.5% to 15.8%), which was close to the 30% target. However, the number of male workers increased by only 16% and is unlikely to meet the 2020 target of 25%, while there was almost no increase among urban workers. The gains for women and rural workers were impressive. However, in the absence of a detailed analysis comparing the training output from this project with other skills training programs, it is not known how much of these gains can be attributed to the project.

31. **Economic Impacts.** The PCR noted that the project significantly improved the employability of graduates from project schools, as 81% of 7,900 graduates were employed 6–9 months after completing their training. The PVS principals interviewed for the PCR confirmed that the improved skill level of graduates led to increased demand among employers, and higher wages. The project also enhanced women's earning capacity by encouraging them to train for and enter male-dominated occupations. The number of girls and women in courses such as machine maintenance, transport maintenance, geodesy, and cartography increased by 5% nationwide. Wages in these occupations are higher than in traditional female occupations.

32. **Social Impacts.** The project expanded access to TVET and employment for poor and socially disadvantaged students, girls, rural youth, and adults, including access to dormitories for those needing them. About 70% of the students in PVSs and SVSs were from poor families. Girls' access to TVET and broader opportunities improved through the successful implementation of GAP. However, little was done to increase access to TVET for disabled students apart from entry ramps to ease physical access into buildings.

33. **Institutional Impacts.** Key elements of an institutional framework central to a modern TVET system were introduced and institutionalized under the project. The capacity of APVE, other allied agencies, and vocational schools was strengthened to support the continued development of this framework. School advisory boards were also strengthened. The SDF was institutionalized, and it proved its capacity to provide good quality short-term training to meet employer needs. The four new model centers served as centers of excellence by demonstrating a new model of effective workplace-oriented training.

34. Two of the four targets for the expected project impact have been or will be achieved through a 30% increase in the proportion of female and rural workers with TVET qualifications, although

how much of this is due to the project was not clear.<sup>11</sup> The other targets for male workers and urban workers are unlikely to be achieved. Important reforms and initiatives to modernize TVET were introduced under the project. The government is now rolling out the key reforms nationwide, including the TTQF, CBT, per capita financing, and the use of tracer studies to guide policy and planning. On the whole, this validation assesses the development impact satisfactory.

## **B. Performance of the Borrower and Executing Agency**

35. The PCR rated the performance of the borrower and the executing agency satisfactory. APVE demonstrated commitment to the project and a high degree of ownership. Its management and staff actively took part in project activities. The project manager remained the same throughout the project, but the PIU manager was changed three times during 2013–2015. The PIU performance was generally satisfactory. The NPSDC managed its responsibilities as the PSC adequately but did not fulfil its broader functions of guiding TVET development. The government complied with all project covenants. Counterpart funding was available on time and slightly exceeded the original estimate. This validation assesses the performance of the borrower and executing agency satisfactory.

## **C. Performance of the Asian Development Bank**

36. The PCR rated the performance of ADB satisfactory. ADB is a lead development partner in TVET in the Kyrgyz Republic. Ten review missions were fielded during implementation, although there was only one mission per year in 2014, 2017, and 2018. The project was overseen by headquarters staff from March 2013 until December 2016, under three different project officers. From 2017, it was delegated to the Kryrgyz Resident Mission and overseen by the same project officer until project closure. Apart from providing better continuity, the resident mission staff facilitated interaction with the Ministry of Finance, MOES, and APVE on implementation issues, and ensured closer cooperation and dialogue with the government and development partners. This validation assesses the performance of ADB satisfactory.

# **IV. OVERALL ASSESSMENT, LESSONS, AND RECOMMENDATIONS**

## **A. Overall Assessment and Ratings**

37. The PCR rated the project successful based on the ratings of relevant, effective, efficient, and most likely sustainable. This validation notes that the project was relevant to national development needs and ADB strategies at appraisal and project completion. Several of the project initiatives were extended under the follow-on ADB-supported skills development project. The project was effective as it achieved or substantially achieved all project outcome targets and 16 of 19 output targets. The project was efficient due to high process efficiency and the high recalculated EIRR (although the lack of data reduced the usefulness of this measure). It also increased the internal and external efficiency of the TVET system. The project is sustainable because of the government's high level of commitment and ownership, the sound institutional framework established, and the continued support to project initiatives from the follow-on project. This validation assesses the project successful.

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<sup>11</sup> The PCR did not examine achievements against the impact targets and provide no information on overall sector outputs that would allow an analysis of attribution.

### Overall Ratings

Validation criteria	PCR	IED review	Reason for Disagreement and/or Comments
Relevance	Relevant	Relevant	
Effectiveness	Effective	Effective	
Efficiency	Efficient	Efficient	
Sustainability	Most likely sustainable	Likely sustainable	The PCR did not demonstrate the financial sustainability of the project.
<b>Overall Assessment</b>	<b>Successful</b>	<b>Successful</b>	
Preliminary assessment of impact	Highly satisfactory	Satisfactory	Only half of the impact targets were achieved in the time frame and attribution was not established.
Borrower and executing agency	Satisfactory	Satisfactory	
Performance of ADB	Satisfactory	Satisfactory	
Quality of PCR		Satisfactory	Para. 43.

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

### B. Lessons

38. The PCR identified three lessons. First, fewer project activities and deliverables would have allowed the delivery of more solid results. Second, APVE's decision to discontinue supporting the ineffective project-facilitated sector councils and instead establish partnerships with active business associations improved the effectiveness and sustainability of the initiative. Third, despite numerous challenges not envisaged initially, the SDF processes can be a model for other countries in the region. This validation supports the second and third lessons. The first lesson was not mentioned earlier and was not supported by the analysis in the PCR.

39. This validation adds two sector-level lessons. One of which relates to the difficulty of establishing new bodies or structures to carry out key functions in TVET. The NPSDC, which was established under the previous skills development project, remains a largely project-driven initiative without a clear mandate and with weak prospects for sustainability. The sector councils, also a project initiative, were eventually discontinued. It is better to use existing structures wherever possible because developing new entities to the point where they are effective and sustainable is a complex and long-term undertaking. This links to an additional sector-level lesson concerning the need for long-term support to bring about meaningful reforms. Several of the project's key initiatives such as CBT and assessment, and the TTQF were pilot tested during the project and were ready for implementation only near the project end. A longer timeline and a consistent, incremental approach are necessary to ensure the development, pilot-testing, implementation, and consolidation of fundamental TVET reforms.

### C. Recommendations for Follow-Up

40. The PCR made four recommendations, of which only one was supported by discussions in the report. This pertained to further long-term support should be provided to ensure full implementation of the CBT modules, the competency-based curriculum, and competency-based assessment. The validation supports this recommendation. Another recommendation stated that vocational schools should be allowed to administer their own bank accounts as an incentive to increase self-generated income for investment in infrastructure, training, and staff retention. Also, vocational schools should receive full financing under the approved per capita financing scheme, with a particular focus on the procurement of consumable training materials. Lastly, certain

functions of the current employment service under the Ministry of Labor and Social Development and APVE can be transferred to the SDF, given its demonstrated effectiveness as a model for training. While these recommendations are reasonable, these merit further analyses and dialogue since the PCR did not provide sufficient assessment for these recommendations.

## **V. OTHER CONSIDERATIONS AND FOLLOW-UP**

### **A. Monitoring and Reporting**

41. The APVE, supported by the PIU, monitored the DMF using the TVET MIS and other project-specific data. The PCR did not assess the project's monitoring and evaluation system. The project met the requirements for annual and quarterly reporting in accordance with the loan covenants. All 22 loan and grant conditions and covenants were complied with. One condition, on selection procedures for overseas training, was voided after overseas training was removed from the project during the MTR. An independent auditing firm audited the project financial statements and provided a management letter to APVE every year.

42. The project significantly improved the TVET MIS. Project monitoring data was incorporated into the TVET MIS, and the MIS was used to monitor the DMF. By the end of the project, the TVET MIS contained up-to-date data on student enrollments, human resources, and infrastructure of all PVSs.

### **B. Comments on Project Completion Report Quality**

43. The PCR quality is satisfactory but borderline. The PCR presented the major project issues and achievements well but could have been more candid about the challenges faced in implementing specific programs. Some of which were raised in various aide memoires. The PCR did not assess the criteria nor the process for selecting project schools. There was no appendix explaining the recalculated economic and financial analysis, and some of the lessons and recommendations were not justified in the main text. An appendix comparing the graduate output of the project with the national statistics on TVET graduates and qualifications of workers would have helped in assessing the contribution of the project to the project impact, referring to the increase in the number of TVET-qualified workers in the labor force.

### **C. Data Sources for Validation**

44. This validation made use of the report and recommendation of the President, MTR report, back-to-office reports, and aide memoires of project review missions. The borrower's completion report was only available in Russian.

### **D. Recommendation for Independent Evaluation Department Follow-Up**

45. There are no recommendations for IED follow-up.