



Completion Report

Project Number: 38178
Loan Number: 2135-PAK (SF)
December 2010

Pakistan: Restructuring of the Technical Education and Vocational Training System Project (North-West Frontier Province)

Asian Development Bank

CURRENCY EQUIVALENTS

Currency Unit – Pakistan rupee (PRs/PRs)

At Appraisal	At Project Completion
18 November 2004	1 November 2010
PRs1.00 = \$0.0168	PRs1.00 = \$0.0116
\$1.00 = PRs59.6659	\$1.00 = PRs85.9300

ABBREVIATIONS

ADB	–	Asian Development Bank
AIDSI	–	Asian Institute of Developmental Studies
CBT	–	competency-based training
CMC	–	center management committee
DMC	–	district management committee
DOI	–	Department of Industries
DTE&MT	–	Directorate of Technical Education and Manpower Training
IMC	–	institute management committee
KPK	–	Khyber Pakhtunkhwa
MAPECOR	–	Mandala Agricultural Development Corporation
MDP	–	management development program
MIS	–	management information system
NGO	–	nongovernment organization
NWFP	–	North-West Frontier Province
PBMS	–	performance-based management system
PC-I	–	government project document
PMU	–	project management unit
PPMES	–	project performance monitoring and evaluation system
R&D	–	research and development
TA	–	technical assistance
TEP	–	Technical Education Project
TEVT	–	technical education and vocational training
TVTC	–	technical and vocational training center

NOTES

- (i) The fiscal year (FY) of the government ends on 30 June.
- (ii) In this report, "\$" refers to US dollars.

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BASIC DATA

A. Loan Identification

1.	Country	Pakistan
2.	Loan Number	2135
3.	Project Title	Restructuring of the Technical Education and Vocational Training System Project (North-West Frontier Province)
4.	Borrower	Islamic Republic of Pakistan
5.	Executing Agency	Department of Industries
6.	Amount of Loan	SDR 7,339,000 (\$11 million equivalent)
7.	Project Completion Report Number	PCR: PAK 1199

B. Loan Data

1.	Appraisal	
	– Date Started	3 May 2004
	– Date Completed	19 May 2004
2.	Loan Negotiations	
	– Date Started	12 November 2004
	– Date Completed	14 November 2004
3.	Date of Board Approval	14 December 2004
4.	Date of Loan Agreement	22 March 2005
5.	Date of Loan Effectiveness	
	– In Loan Agreement	20 June 2005
	– Actual	29 September 2005
	– Number of Extensions	0
6.	Closing Date	
	– In Loan Agreement	30 April 2011
	– Actual	26 May 2009
	– Number of Extensions	0 (Loan closing date was advanced)
7.	Terms of Loan	
	– Interest Rate	1.0% per year during the grace period and 1.5% per year thereafter
	– Maturity	32 years
	– Grace Period	8 years

8. Disbursements

a. Dates

Initial Disbursement	Final Disbursement	Time Interval
1 February 2006	26 May 2009	40 months
Effective Date	Original Closing Date	Time Interval
29 September 2005	30 April 2011	67 months

b. Amount (SDR)

Category	Original Allocation	Last Revised Allocation	Amount Canceled	Net Amount Available	Amount Disbursed	Undisbursed Balance
Civil Works	571,000	571,000	0	571,000	582,985	(11,985)
Equipment and Furniture	2,064,000	476,000	(1,588,000)	476,000	265,141	210,859
Learning Materials and Resources	259,000	59,000	(200,000)	59,000	276	58,724
Staff Development	751,000	251,000	(500,000)	251,000	127,362	123,638
Research, Development, and Studies	71,000	0	(71,000)	0	0	0
Innovative and Incentive Grant Fund	1,031,000	131,000	(900,000)	131,000	890	130,110
Consulting Services	346,000	346,000	0	346,000	184,758	161,242
Project Administration, Operation, and Maintenance	1,073,000	0	(1,073,000)	0	88,969	(88,969)
Unallocated	885,000	0	(885,000)	0	0	0
Interest and Charges	288,000	288,000	0	288,000	10,419	277,581
Total	7,339,000	2,122,000	5,217,000	2,122,000	1,260,799	861,201^a

() = negative

^a cancelled on 26 May 2008

10. Local Costs (Financed)
- Amount (\$) 1,586,204
 - Percent of Local Costs 48.49%
 - Percent of Total Cost 45.02%

C. Project Data

1. Project Cost (\$)

Cost	Appraisal Estimate	Actual
Foreign Exchange Cost	3,700,000	1,937,484
Local Currency Cost	12,000,000	1,586,204
Total	15,700,000	3,523,688

2. Financing Plan (\$)

Cost	Appraisal Estimate	Actual
Implementation Costs		
Borrower Financed	4,700,000	614,000
ADB Financed	11,000,000	1,920,000
Total	15,700,000	2,534,000
IDC Costs		
ADB Financed	16,002	16,002
Total	16,002	16,002

ADB = Asian Development Bank, IDC = interest during construction.

3. Cost Breakdown by Project Component (\$)

Component	Appraisal Estimate	Actual
Institutional Development	3,300,000	530,000
Improvement in Quality and Relevance	6,100,000	1,414,000
Access and Equity Enhancement	2,400,000	305,000
Project Management	600,000	222,000
Taxes and Duties	1,100,000	47,000
Physical Contingency	300,000	0
Price Contingency	1,500,000	0
Interest Charge	400,000	16,000
Total	15,700,000	2,534,000

4. Project Schedule

Consultancy	Dates			
	Appraisal Estimate		Actual	
	Start	End	Start	End
TEVT System Specialist/Team Leader ^a	Jan 2006	Jan 2007	May 2006	Oct 2006
Management Training Specialist ^b	Not available	Not available	May 2006	
Management Information System Consultant ^b	Not available	Not available	May 2006	
Research and Development Consultant ^b	Not available	Not available	May 2006	
Competency-Based Training System Specialist ^a	Jan 2006	Jan 2007	Jun 2007	
Performance-Based Management System Specialist ^a	Mar 2007	Oct 2007	Jun 2007	Oct 2007
Equivalency and Certification System Specialist ^a	Jan 2006	Mar 2006	Jun 2007	Aug 2007

TEVT = Technical Education and Vocational Training.

^a per report and recommendation of the President

^b new positions

Civil Works Contract	Dates			
	Appraisal Estimate		Actual	
	Start	End	Start	End
Construction of Building for GCT at Wari, Upper Dir	Jan 2007	Dec 2010	May 2007	Dec 2008
Construction of Building for Mechatronics Technology Block at GPI (now GCT) Bannu	Jan 2007	Dec 2010	May 2007	Dec 2008
Construction of Building for Mining Technology Block at GPI Buner	Jan 2007	Dec 2010	May 2007	May 2008
Construction of Building for TVTC (F) at Karak	Jan 2007	Dec 2010	Sep 2007	Dec 2008

GCT = government college of technology, GPI = government polytechnic institute, TVTC (F) = technical and vocational training center for females.

Equipment and Supplies

Dates

First Procurement
Last Procurement
Completion of Equipment Installation

07 November 2006
25 July 2008
07 May 2009

5. Project Performance Report Ratings

Implementation Period I.	Ratings	
	Development Objectives	Implementation Progress
From 31 December 2004 to 30 December 2005	Satisfactory	Satisfactory
From 31 December 2005 to 30 December 2006	Satisfactory	Satisfactory
From 31 December 2006 to 30 December 2007	Satisfactory	Satisfactory
From 31 December 2007 to 31 May 2008	Satisfactory	Satisfactory
From 1 June 2008 to 30 April 2009	Unsatisfactory	Satisfactory
From 1 May 2009 to 30 September 2009	Partly Satisfactory	Satisfactory

D. Data on Asian Development Bank Missions

Name of Mission	Date	No. of Persons	No. of Person-Days	Specialization of Members ¹
Loan Fact-finding ^{2,3}	15 February–3 March 2004	–	17	–
Loan Appraisal ^{2,3}	3–19 May 2004	–	17	–
Loan Negotiations ²	12–14 November 2004	–	3	–
Inception Mission	22–26 November 2005	2	10	a, b
Loan Review Mission 1	3–10 August 2006	1	8	a
Loan Review Mission 2	3–10 March 2007	2	16	c, d
Loan Review Mission 3	6–11 April 2008	2	12	e, f

¹ a = education specialist, b = associate project analyst, c = social sectors specialist, d = project analyst, e = project implementation officer, f = assistant project analyst

² Mission details not available.

³ The Pakistan Resident Mission provided support to the missions in the field.

II. PROJECT DESCRIPTION

1. On 14 December 2004, the Asian Development Bank (ADB) approved the Restructuring of the Technical Education and Vocational Training System Project (North-West Frontier Province)¹ loan for \$11 million equivalent, funded from its Special Funds resources (Asian Development Fund). The goal of the project was to help the government reduce poverty by enhancing competitiveness of technical education and vocational training (TEVT) and the employability of graduates in line with market needs. The project's specific objectives were to (i) restructure and strengthen institutional capacity, efficiency, and autonomy of TEVT institutions; (ii) improve quality and relevance of TEVT programs; and (iii) enhance access to quality TEVT, particularly among the rural poor and women.

2. The project completion report provides an overview of the role the project played in the improvement of the competitiveness of the TEVT system in the province of Khyber Pakhtunkhwa (formerly North-West Frontier Province [NWFP]). The project framework is in Appendix 1.

III. EVALUATION OF DESIGN AND IMPLEMENTATION

A. Relevance of Design and Formulation

3. The province of Khyber Pakhtunkhwa (KPK) faced the dual problems of high illiteracy and high incidence of poverty. It also had high unemployment, yet job vacancies often were unfilled due to lack of trained personnel. The demand for skilled workers was also high in foreign countries, especially in the Middle East. The existing TEVT system was not responsive to labor market needs, and graduates who were hired had to be trained for 3 more months by their employers. A labor market survey conducted in 2003 under an ADB-funded small-scale technical assistance (TA) project² identified lack of industrial training skills and inadequate practical content as a key weakness of TEVT programs, followed by shortage of equipment, insufficient consumables and learning materials, and poorly trained teachers.

4. In 2002, the provincial government initiated major structural changes in the TEVT system. At the beginning of 2002, the directorates of technical education and manpower training were merged into the Directorate of Technical Education and Manpower Training (DTE&MT) under the Department of Industries (DOI). The same year, on the federal level, the TEVT Authority was established as an autonomous body with powers to take over all polytechnics, commerce colleges, technical and vocational training centers (TVTCs), and similar institutions.

5. The project was in line with the Government of Pakistan's priorities. Both the National Education Policy³ and the Poverty Reduction Strategy Paper⁴ emphasized the role of technical education in producing skilled workers and technicians for the economy. Under the Education Sector Reform Action Plan⁵, the government prioritized the development of skilled workers and the creation of jobs, especially skilled workers that use indigenous natural resources. The Ten

¹ ADB. 2004. *Report and Recommendation of the President to the Board of Directors: Proposed Loan Restructuring of the Technical Education and Vocational Training System Project (North-West Frontier Province)*. Manila (Loan 2135-PAK, for SDR7,339,000, approved on 14 December 2004).

² ADB. 2003. *Small Scale Technical Assistance for Skills Development Reform*. Manila (TA 4149-PAK, for \$150,000, approved on 17 July 2003).

³ Ministry of Education. 1998. *Education Policy 1998-2010*. Islamabad.

⁴ Ministry of Finance, Government of Pakistan. 2003. *Accelerating Economic Growth and Reducing Poverty: The Road Ahead (Poverty Reduction Strategy)*. Islamabad.

⁵ Ministry of Education, 2001. *Education Sector Reforms: Action Plan (2000-2003)*. Islamabad.

Year Perspective Development Plan 2001–2011⁶ pointed out the need to increase opportunities for technical, commercial, and vocational education in the country, and prioritized the introduction of secondary and post-secondary technical education. ADB's country programming was aligned with the Government of Pakistan's priorities. ADB's 2002 country and strategy program⁷ focused on poverty reduction through private-sector-led pro-poor economic growth, inclusive social development, and improved governance. The priorities remained the same in succeeding country strategy program updates. ADB's strategy highlighted the need for comprehensive social development strategies, devolution of services for human development, and reforms in education. In addition, ADB emphasized the need to move away from federal umbrella projects towards provincial projects that are more focused.

6. The project built on the accomplishments of, and lessons learned from, ADB's Technical Education Project (TEP)⁸, which aimed to improve the quality of technical education throughout the country by supporting a demand-driven polytechnic system that responds more efficiently to labor market needs. It supported the improvement of infrastructure, spread equitably over the country's four provinces. The TEP strengthened the quality of the TEVT system through the construction of 32 polytechnics, including five in NWFP, and support for six technical teacher training facilities, including a new training facility in Peshawar. In addition, it provided a large in-country training program and supported the introduction of 30 new technologies based on existing and emerging demands of the job market. The TEP also supported capacity building for technical education planning and management through the establishment of research and development (R&D) cells in the provincial directorates for technical education. The TEP was rated *successful*.⁹

7. The project design obtained views, needs, and feedback from government agencies. During a workshop, consultations were held with private sector representatives, nongovernment organizations (NGOs), teachers, students, and communities. A labor market survey was conducted during TA implementation, and findings on demand and supply of skilled workers and technicians were incorporated into the project design. The project was designed in a phased manner, with consultants to be hired at the beginning of the project to set the direction.

8. The design was *partially relevant* at appraisal. While the project provide an adequate strategy for the restructuring of the TEVT system in the province, a number of reform interventions were ill-conceived and remained unimplemented when the project ended. The design did not fully take into account the weak capacity of the TEVT institutions, and included some very resource-intensive and highly complex interventions, such as the development of modular competency-based training (CBT) and the implementation of a performance-based management system (PBMS). The design also erred in assuming that the provincial government would grant the autonomy and resources to TEVT institutions required for the implementation of these innovative interventions. The design would have benefited from more consultation with stakeholders at the grassroots level (beyond one workshop), and this could have made the project targets more realistic. ADB and the KPK government agreed during loan negotiations that, if the government received additional funds from other sources, ADB may be requested to cancel or reallocate the corresponding loan proceeds for priority activities acceptable to ADB. During the inception mission, the KPK government submitted a request to

⁶ National Economic Council. 2001. *Ten Year Perspective Development Plan 2001-2011*. Islamabad.

⁷ ADB. 2002. *Pakistan: Country Strategy and Program, 2002–2004*. Manila.

⁸ ADB. 1995. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Islamic Republic of Pakistan for the Technical Education Project*. Manila (Loan 1373-PAK for SDR38,473,000, approved on 19 September 1995).

⁹ ADB. 2004. *Project Completion Report of the Technical Education Project*. Manila.

ADB for reallocation of loan proceeds. ADB expressed no objection to the proposed changes and advised that these would be accommodated at the time of the midterm review mission. On 16 October 2008, however, prior to the midterm review, the government requested for the advance closure of the loan and immediate cancellation of uncommitted loan proceeds because of the slow progress and unsatisfactory performance of the project. As such, the discrepancy in project scope between the government and ADB was not resolved during project implementation. The project design remained *partly relevant* at completion.

B. Project Outputs

9. The project had three components: (i) development of institutions, (ii) improvement of TEVT quality and relevance, and (iii) enhancement of access and equity.

1. Institutional Development

10. This component was designed to assist TEVT institutions with restructuring, and strengthening their institutional capacity and operational autonomy to develop and implement programs.

a. Restructuring and Strengthening Capacity of Directorate of Technical Education and Manpower Training

11. **Strengthening the research and development cell.** R&D cells were established under the TEP project to strengthen the link between TEVT management and the labor market. The cells were to carry out labor market surveys, establish a labor market information system, conduct tracer studies to monitor employment plans, and establish a TEVT management information system (MIS) to generate necessary data for effective planning for TEVT development. The R&D cell in KPK province was made part of the Directorate of Technical Education and Manpower Training (DTE&MT), effective from 1 July 2005. An MIS was developed, and was still in use during the preparation of this report, with the maintenance costs covered by the KPK government. The staff in the R&D cell received training to strengthen their research and development skills. However, no budget was provided to conduct the necessary research activities. Overall, the R&D cell received insufficient support to perform fully, making the outcome of this activity *partly successful*.

12. **Institutionalizing a quality assurance and accreditation system.** A quality assurance and accreditation system was to be developed in the DTE&MT to institutionalize registration monitoring and assessment of TEVT institutions throughout the province. The consultants who would support the development of the system had not been hired by the end of the project. As such, there was no progress under this activity, making the outcome of this activity *unsuccessful*.

13. **Establishing district management committees.** In each project district a district management committee was to be established and institutionalized. The committees were to comprise representatives of industries, TEVT institutions, and the community, and were to mobilize resources and support from the private sector for TEVT institutions. Although the terms of reference and rules of business were finalized in consultation with TEVT principals and the private sector, no district management committees were established under the project as the provincial government was not convinced of the need for these committees. The outcome of the activity was *unsuccessful*.

14. **Staff development.** A consultancy contract was signed in February 2008 with a United Kingdom-based firm, HTSPE, for PRs7 million to implement the foreign training activity under the project's staff development category. Under this contract a group of seven officers of the DOI, DTE&MT, and PMU undertook a 1–2 week study visit to the United Kingdom, and another group of four persons (two officers and two teachers) visited Manila to attend a tailor-made training program. These study visits were in line with the government project document (PC-I). The target groups were cleared by the project steering committee and the contract was approved by ADB. In addition, in-country training was organized for teaching staff. A total of 154 teaching staff were trained during 7 weeks of training courses (Appendix 2). Given the low impact of the training, the activity is rated *partly successful*.

b. Strengthening Capacity of Technical Education and Vocational Training Institutions

15. **Strengthening committee capacity and resources.** The project planned to support the establishment and operations of institute management committees (IMCs) and center management committees (CMCs) to improve the link between TEVT institutions and the private sector. Modest seed money was to be provided, the capacity of the committee members was to be strengthened, and procedural manuals for reference of the committees were to be prepared. The provincial government decided to introduce the committees in a phased manner, and started with the notification of five IMCs and CMCs, with private sector participation. These committees were still active during the preparation of the project completion report. The proper functioning of the committees would require autonomy of the TEVT institutions, as well as a change in legislation and service rules. These changes had not been introduced during the project implementation period, making the outcome of this activity only *partly successful*.

16. **Implementing a management development program.** The main objective of this activity was to strengthen the capacity of principals, teachers, and staff of TEVT institutions to plan, manage, and evaluate their operations more effectively within the context of the 5-year institutional development plan, internal quality assurance, and PBMS. The short listing of the candidates for the assignment was a condition of loan effectiveness. In May 2006, a consulting firm (Semiotics) was hired to provide capacity building in the following fields: (i) preparing and analyzing labor market surveys; (ii) preparing institutional development plans; (iii) training in leadership and management of TEVT institutions; (iv) training in financial planning, management, and monitoring; (v) improving internal quality assurance of TEVT programs; (vi) developing an MIS and project performance monitoring and evaluation system (PPMES) to manage the performance of TEVT institutions; (vii) preparing tracer studies and market analysis; (viii) developing social marketing and public relations programs; (ix) strengthening the link between TEVT institutions and the private sector; (x) improving management and operations of IMCs and CMCs; and (xi) developing staff development plans and programs. The consultants delivered the outputs listed in the terms of reference, and these were reviewed and approved by the project steering committee and ADB. The terms of reference, however, covered only part of the deliverables under the project scope as listed in ADB's project document. The preparation of labor market surveys and tracer surveys, for instance, were not supported by the consultant, and the PPMES was not prepared. As such, the outcome of this activity is rated *partly successful*.

17. **Implementing a performance-based management system.** The PBMS was to be based on the 5-year institutional development plans, prepared by the TEVT institutions as a basis for budgetary allocations. The PPMES, to be developed during the project, would monitor progress under the 5-year plans. In June 2007, a consulting firm, the Asian Institute of

Developmental Studies (AIDSI), was hired to support this activity. The consulting support was satisfactory, with the assigned consultant actively supporting the development of the PBMS and its introduction in the pilot institutions. During the last year of the project, the PBMS was introduced in four TEVT institutions (one in each region of the province) on a pilot basis. The provincial government has not yet decided on the further roll out of the PBMS. The outcome of this activity is rated *partly successful*.

2. Improvement in Quality and Relevance of Technical Education and Vocational Training

a. Competency-Based Training System Development and Examination Reform

18. **Competency-based training system development.** The project planned to help develop a framework and mechanisms for introducing a CBT system to promote market-driven technical education. The CBT system would be gradually introduced through incentives and active participation of teachers and institutions. CBT teaching manuals and training modules were developed with support of an international consultant, and training was provided to a group of 18 competent teachers. After the training, the initiative was handed over to the DTE&MT. There has been no follow through on the implementation of the CBT system, as curriculum development is a federal matter, falling outside the provincial purview. Its inclusion in the project design, including the issuance of binding directives within 12 months of loan effectiveness, was not realistic. The outcome of this activity is *unsuccessful*, despite the adequate support that was provided.

19. **Examination reform.** At the time of project design, the annual examinations were inflexible and did not encourage students to acquire the skills required by industry. The project aimed to increase the autonomy and responsibility of the TEVT institutions to conduct CBT-format skill tests. At the same time, the quality of the annual examinations at the Provincial Board of Technical Education and at the Trade Testing Board would be improved. These activities were included in the second phase of the consulting contract with the AIDSI. Due to the early closure of the project this did not take place, making the outcome of this activity *unsuccessful*.

b. Quality Improvement through Facilities Upgrading and Learning Resource Development

20. **Civil works.** The project included a \$1.13 million provision for civil works to (i) construct five technical and vocational training centers (TVTCs) for girls in major towns (Charsadda, Mansehra, Mrdan, Swabi, and Swat) and two in remote districts (Chittrai and Karak), (ii) upgrade three polytechnics to centers of excellence, and (iii) refurbish 52 production units and learning resource centers. During the loan inception mission in November 2005, the government and ADB agreed in principle on the expansion of the civil works component, adding another four priority project activities,¹⁰ thereby increasing the civil works allocation to \$3.19 million. Subsequently, the Works and Services Department, responsible for setting the target prices of construction materials and labor, increased the target by 60%, further increasing the civil works component to \$6.61 million. The approval of the changes in the civil works component would

¹⁰ These activities were (i) a polytechnic center for women in Abbotabad, (ii) a commercial training center for boys in upper Dir, (iii) a commercial training center for boys in Tank, and (iv) an academic block for mining technology in Bunir.

cause a major change in scope of the project. The government submitted proposals to ADB for reallocation of loan proceeds in May 2007, January 2008, and March 2008. As no agreement could be reached between the government and ADB on the reallocation, only four packages with a total value of \$1.03 million were approved within the project period (Appendix 3). Given that the allocated resources were used for priority project activities, and served their purpose after project completion, the outcome of this activity is assessed *partly successful*.

21. **Equipment and furniture.** In the project design, the equivalent of \$3.01 million was allocated for the procurement of (i) new and additional training equipment in 11 TVTCs for girls, 20 TVTCs for boys, and three polytechnics; (ii) computer equipment in 22 commercial colleges and two training centers; and (iii) materials required for the establishment of a learning resource center-cum-library for all polytechnics and TVTCs. The government decided not to pursue the procurement of training equipment, given the low enrollment of TVTCs. A package of 340 computers and furniture was procured for 20 commercial colleges; the computers are installed and serve their purpose. In addition, equipment for nine employee exchange units, which provide vocational guidance to students as well as unemployed candidates, was bought as was some furniture for learning resource centers. In total, PRs18.3 million has been spent on procurement (Appendix 4). The aim to support the improvement of the quality of the training has been reached only partially, making the outcome of the procurement *partly successful*.

c. Improving Relevance of Technical Education and Vocational Training through Innovative Schemes

22. A number of innovations in TEVT were envisaged in the project design: (i) the introduction of mandatory training for all TEVT students in entrepreneurship, combined with improved access to credit to graduates; (ii) the promotion of on-the-job training, with IMCs and CMCs fostering cooperation with local industry; (iii) the reestablishment of employment exchange programs at the DTE&MT with a network of nine employment exchange centers, based at the training centers; and (iv) the establishment of production-cum-service centers in partnership with the private sector, accepting orders for production and providing services for internal and external clients. The project provided equipment and furniture for nine employment exchange centers. According to the government, all nine centers are fully operational, the equipment is fully functional and operational, and the units are provided with budget resources by the DTE&MT for maintenance of equipment. The production-cum-service centers require a vibrant private sector market; without this they become a liability to the system. They also require autonomous TEVT institutions, as well as adjustment of the relevant legislation. The government and the private market were not ready to pursue this innovation. Only some of the innovative schemes were pursued and only the strengthening of the employment exchange centers was successful, making the outcome of these initiatives *unsuccessful*.

3. Access and Equity Enhancement

a. Introduction of Equivalency and Certification System

23. The introduction of an equivalency and certification system was meant to help workers obtain technical qualifications through external examinations. A local consultant prepared a report on the equivalency and certification system and handed it over to the DTE&MT for implementation. Although the report was well received, the new initiative was not adopted by the KPK government, making the activity *unsuccessful*.

b. Implementation of Nonformal Livelihood Skill Improvement Programs

24. The project targeted training of about 20,000 out-of-school youths and adults to improve livelihoods and provide employable skills. The livelihood training was to be provided by NGOs that were to be selected on a competitive basis. The government expressed its reservations about this component during loan negotiations, and agreed with ADB that this component could be taken out of the project if funding from other sources was received. The government never pursued this activity. Instead, it proposed during the inception mission to use the resources of this activity for the introduction of a revolving fund for microcredit to be accessed by qualified technical graduates who have undergone entrepreneurship training. This activity was not implemented, making the outcome of this subcomponent *unsuccessful*.

c. Establishment of Two Technical and Vocational Training Centers for Girls

25. The establishment of the two TVTCs in remote districts was intended to provide better access to TEVT for rural women. The construction of one of the two TVTCs took place within the project period. The TVTC in Karak is not operational because the teachers and support staff have not yet been appointed. According to the government, the posts have been sanctioned and an order has been placed to purchase the equipment by the DTE&MT. At the time of completion report preparation, the outcome of the activity is assessed *unsuccessful*.

C. Project Costs

26. At appraisal, the total cost of the project was estimated at \$15.7 million equivalent, of which \$3.7 million (24%) was the foreign exchange cost and \$12.0 million equivalent (76%) the local currency cost. ADB approved a loan of SDR7.34 million (\$11 million) from its Special Funds resources to finance the entire foreign exchange cost (including service charges) and \$7.30 million in local currency cost (or 61% of the local currency cost). The ADB loan represented 70% of the estimated project cost. The government was to provide the remaining currency cost of \$4.7 million equivalent (30% of the project cost) through budget allocation (Appendix 5).

27. At loan closing, the actual project cost was the equivalent of \$2.50 million, about 16% of the original estimate, including \$1.94 million from ADB resources and \$0.62 million equivalent from the government's own resources. There were cost underruns for all budget lines apart from the civil works budget line, which had a cost overrun. Reasons for the cost underruns include the early closure of the project and slow disbursement. The cost overrun for civil works was in line with the desire of the government to have a stronger focus on civil works, which eventually did not materialize (para. 20).

D. Disbursements

28. The first disbursement was made on 1 February 2006 and the final disbursement on 26 May 2009. Disbursement targets could not be achieved during project implementation. The amount disbursed from the ADB loan was \$1.94 million equivalent, 18% of the approved loan amount of \$11.00 million. On 16 October 2008, the government requested ADB to advance the loan closing date from 30 April 2011 to 31 December 2008 due to slow progress and unsatisfactory performance of the project. A partial cancellation of SDR5.22 million was effected on 16 October 2008. On 26 May 2009, ADB canceled the undisbursed loan amount of

SDR861,201.17, closing the loan account effective of the same date. An imprest advance facility of \$300,000 was provided to the project, effective from 24 December 2005. The use of the imprest account was partly effective, with a turnover ratio of 1.47. The projected and actual contract awards and disbursements for the entire project implementation period are shown in Appendix 6.

29. The physical progress of only 18% during the life of the project shows poor performance on both the contract awards and the disbursements. The factors responsible for the wide gap between the time elapsed and the physical progress were (i) complex project design; (ii) unrealistic and/or overambitious interventions; (iii) unfamiliarity of the executing agency and implementing agency with ADB guidelines and procedures; (iv) weak capacity and/or lack of coordination between the executing agency, implementing agency, and PMU; (v) discrepancies between ADB's project document and the government's project document (PC-I); (vi) unrealistic cost estimates of civil works in the PC-I; (vii) overdesigned civil work structures; and (viii) frequent changes in project administration teams at ADB and resultant approval delays.

E. Project Schedule

30. The project was originally scheduled to start in the second quarter of 2005, after signing of the loan document on 22 March 2005, and be completed in 6 years. The project started in the third quarter of 2005, following the approval of the Executive Committee of the National Economic Council of the project PC-I on 4 August 2005 and loan effectiveness on 29 September 2005. The loan closing, originally scheduled for 30 April 2011 (Appendix 7), was moved forward to 31 December 2008 due to slow and unsatisfactory progress of the project. There were no substantial delays in the procurement of civil works. ADB did not approve civil works listed in the PC-I beyond the budget allocation in the loan agreement, limiting civil works to four packages. There were no substantial delays in procurement of equipment and furniture. Only part of the planned procurement of equipment and furniture took place due to the early closure of the project, as it was scheduled that equipment and furniture would be procured once the civil works were completed.

F. Implementation Arrangements

31. The project generally was implemented as envisaged at appraisal. The DOI was the executing agency, and the DTE&MT the implementing agency. The PMU was established upon loan effectiveness, and was adequately staffed, although it lacked the capacity and skill mix to implement a complex project. Due to inadequate office space, the working conditions at the PMU were found to be uncomfortable for the staff. The project staff also lacked mobility; the car purchased by the PMU for its use was taken over by the management of the DTE&MT. The project director was selected and appointed on a competitive basis for the project period, as required in the assurances of ADB's project document. A project steering committee was established with representatives from the DOI, Department of Finance, Chamber of Commerce, DTE&MT, and local government. The steering committee met only three times during the project period, instead of the planned quarterly meetings. The minutes of the steering committee meetings revealed that, except for approving the annual budget, no other substantial role, such as the coordination of policy reforms, was played by the committee.

32. There were no cost changes during the project period, be it that the government requested a reallocation of loan proceeds in line with what was agreed during loan negotiations.

The Borrower Team explained to the ADB Team and the ADB Team agreed that in case NWFP receives: (a) Zakat Fund from the Borrower; (b) grant (estimated at \$1,500,000 to \$2,000,000) from the Swiss Agency for Development and Cooperation for technical assistance and part of Sub-component (b) of Component 3-Implementation of Non-Formal Livelihood Skills Improvement Program; and/or (c) funds from other source for Project, the Borrower may request ADB to cancel or reallocate the corresponding loan proceeds from priority Project activities acceptable to ADB. Both the teams acknowledged that consequent revision may be required in the Attachment to Schedule 3 and PC1 during Project implementation.¹¹

33. During the inception mission, the government proposed that \$1.17 million of the \$1.55 million allocation for the non-formal livelihood program be reallocated for provision of a revolving fund for microcredit to qualified technical graduates who have undergone entrepreneurship training. In addition, the government identified a number of priority project activities, amounting to \$2.33 million, to be supported under the civil works component. ADB had no objection to the proposed reallocation of funds, but deferred the changes to the loan allocation schedule until the midterm review mission, scheduled for the third year of project implementation. The project was closed before a midterm review took place.

G. Conditions and Covenants

34. Since not much was achieved in terms of physical progress (18% up until the early closure of the project), many of the loan covenants were yet to become fully operational. Of the 15 covenants, six were fully met, four were partially met, and five were not complied with. The PMU found most of the loan covenants unrealistic and thus hard to comply with. For example, the DOI considered that the establishment of district management committees (DMCs) in each district (Schedule 6, Para 4) was likely to be detrimental to TEVT institutions because individuals likely to be appointed to the committees would seek to improperly benefit privately from their positions (e.g., by seeking to influence the recruitment, procurement, and/or admission processes at TEVT institutions; demanding free repairs or maintenance services for domestic appliances; etc.). The IMCs were therefore given preference over the DMCs by the DOI. Similarly, there were a number of covenants that fell outside the ambit of the provincial authorities, such as the ones requiring a change in curriculum. The status of compliance with loan covenants is provided in Appendix 8.

H. Consultant Recruitment and Procurement

35. The appraisal document provided for a total of 77 person-months of consulting services (15 international and 62 national). In addition, a higher education institution and/or management institute was to be hired to develop a management development program (MDP) with the TEVT institutions. The project engaged in three consulting contracts. In May 2006, a Pakistan-based consulting firm, Semiotics, was hired for a total of 60 person-months at a cost of PRs18 million to support the development of an MDP. In June 2007, the project engaged a Philippines-based consulting firm, AIDS¹², at a cost of PRs12.2 million for a total of nine international and 62 national person-months, of which six international and eight national person-months were

¹¹ ADB. 2004. Minutes of loan negotiations, Manila. Para. 13.

¹² On 30 September 2008, ADB informed the KPK Government that AIDS¹² was affiliated with Mandala Agricultural Development Corporation (MADECOR). MADECOR and all of its affiliates are debarred by ADB's Integrity Oversight Committee for a minimum period of 10 years starting on 31 May 2006. The sanction imposed on MADECOR also applies to AIDS¹². The sanction did not affect the project implementation as AIDS¹² had to fulfill its contractual obligations.

completed. Initially, it was planned to hire individual consultants; however, there was insufficient response as the required specializations (competency-based training, performance-based management, and equivalency and certification) were still emerging in Pakistan. Therefore, it was decided to group the individual contracts into one consulting assignment, together with a second group of individual consultants (quality assurance and accreditation, TEVT examinations reform, examination systems software development, and quality assurance and accreditation), with the delivery of services provided in two phases. In February 2008, a UK-based management firm, HTSPE, was hired to implement the foreign training activity under the staff development component of the project at a cost of PRs7 million.

I. Performance of Consultants, Contractors, and Suppliers

36. The consultants' performance was *partially satisfactory*. The KPK government appeared to be satisfied with the support provided by Semiotics towards the implementation of the MDP. The R&D cell received the necessary support to perform its tasks. The training of principals in leadership and management of TEVT institutions appeared to be well received. The MIS is still being used after the closure of the project and found to be useful. Other elements, such as the development of a PPMES and the preparation of labor market studies and tracer studies, were not supported. At the time of the closing of the project, AIDSII was terminating phase 1 of the contract. The services provided by AIDSII were well received by the government, although the reforms were not sustained. The consultant who worked on the implementation of the PBMS supported the government in the preparation of a pilot in four institutions. These pilot activities continued to be implemented past the government's project closing date (30 June 2009) with the government's own resources. The CBT expert prepared training modules and provided training on the development of CBT courses. While the support appeared to be appropriate, the activity was not carried forward, as the development of curricula falls outside the ambit of the provincial government. HTSPE organized a 2-week study visit for seven officers to the UK and a 30-day tailor-made training in the Philippines for four persons. The visits were organized in line with the contract. The contractors completed the civil works in line with the specifications. One of the completed facilities, the TVTC in Karak, however, is not operational, making the civil works inputs *unsatisfactory*.

J. Performance of the Borrower and the Executing Agency

37. The performance of the borrower and the DOI, as the executing agency, was *partly satisfactory*. The PMU displayed a strong commitment to the project throughout its implementation. There was, however, inadequate support from the DOI. The PMU faced resistance from the DOI and DTE&MT in implementing the sector reform components under the project, such as the rehabilitation of the IMCs and CMCs, career guidance at service centers, on-the-job training, entrepreneurship training, and the use of microcredit schemes. The DOI questioned the relevance of the sector reform components, and was mainly concerned with the procurement of civil works and equipment. The project steering committee, through its chair (the additional chief secretary), recognized the need for sector reform and agreed with ADB on setting timelines for certain activities to ensure implementation. The project steering committee met only three times throughout project implementation. This was insufficient to successfully guide the sector reforms.

K. Performance of the Asian Development Bank

38. The performance of ADB was *partly satisfactory*, as ADB was not able to resolve the discrepancy in project scope between the government and ADB at the design stage and during

project implementation. While both the DOI and ADB agreed on the needs of the project, the DOI clearly did not fully agree with all components of the project, and requested during loan negotiations for the cancellation or reallocation of loan proceeds if other funding sources financed part of the project activities. Nevertheless, the loan and project agreements were signed, binding both parties to the content of these agreements. A reallocation of loan proceeds was proposed by the DOI during the inception mission, providing for a larger allocation for civil works. The ADB mission expressed no objection to the proposed changes and advised its intention to review the project design and reallocate loan proceeds during the midterm review mission, scheduled for the third year of project implementation. Three times (in May 2007, January 2008, and March 2008) the executing agency submitted proposals to ADB to reallocate loan proceeds, but no agreement could be reached. During the loan review mission on 6–11 April 2008 the status of the development objective of the project was downgraded from *satisfactory* to *unsatisfactory* as it was deemed unlikely that the project would bring any notable change in the TEVT system of the province. Based on these findings the mission recommended a tripartite meeting between the federal government, the provincial government, and ADB to discuss the future of the project and to look into other possibilities for restructuring the TEVT system in the province. The tripartite meeting decided on the closure rather than a restructuring of the project.

39. The change of ADB administration of the project was confusing to the executing agency and the PMU, and affected continuity of the project implementation. The project was implemented by, in order, the South Asia Social Sector, Central and West Asia Social Sector, Central and West Asia Governance and Finance, and the Pakistan Resident Mission.

IV. EVALUATION OF PERFORMANCE

A. Relevance

40. The project design is *partly relevant*. Support to the TEVT subsector responded to the needs of the country and was in line with ADB's country strategy. TEVT was being developed nationwide, and two provinces—NWFP and Balochistan—were lagging behind and needed project support to further develop the provincial TEVT system. The provincial government agreed with the support. The design of the project, however, did not fully correspond to the expectations of the provincial government, resulting in discrepancies between ADB's project document and the government's project document (PC-I). In its PC-I, the government had more resources allocated for civil works and fewer for sector reform. During loan negotiations, both parties agreed to retain the project scope as proposed by ADB, on the understanding that if the government received additional resources from elsewhere, some activities could be cancelled and funds reallocated to other project activities.

41. More time could have been spent during appraisal coming to an agreement with the government on the original project design. While the underlying idea for having the project was to catch up with other provinces, the direction of the development was not the same for the KPK government and the ADB project team. While the KPK government was still mainly concerned with strengthening its network of TEVTs through improved infrastructure and equipment, the ADB project team was mainly concerned with the development of the sector policy, with the strengthening of a centralized policy body, the development of curricula, and the strengthening of the management of the schools.

42. The difference in view was not resolved during project implementation. During the inception mission, the government proposed the reallocation of some funds from the Non-formal

Livelihood Program to a revolving fund for microcredit for qualified technical graduates who have undergone entrepreneurship training, as well as the increase of the allocation of civil works to accommodate revised estimates of original construction projects and the additional construction of three TEVT institutions. ADB agreed in principle with the change in scope, but deferred the change in scope until the midterm review mission. The mission could have taken place following the recommendation of the Prime Minister's Office in early 2007 to restructure the NWFP and Balochistan TEVT projects, thus aligning the federal aspirations of having sector reforms coordinated by a centralized policy body with the provincial aspiration of having better TEVT infrastructure. However, the midterm review did not take place; instead, early closure of the project was opted for.

B. Effectiveness in Achieving Outcome

43. The project is rated *less effective*. The project outcome to (i) restructure and strengthen institutional capacity, efficiency, and autonomy of TEVT institutions; (ii) improve the quality and relevance of TEVT programs; and (iii) increase access to better-quality TEVT programs, particularly among rural poor and women, has not been reached. Progress was made in a few of the outputs, but most of the outputs have been unsuccessful, especially those that were not supported by the KPK government and those that were meant to come towards the end of the project.

44. Key TEVT institutions became more efficient during the implementation period. The R&D cell in the DTE&MT, established to link TEVT with the labor market, received some support through training and the establishment of an MIS. Overall, however, the R&D cell remained weak due to the lack of staff skills and insufficient budget to perform its role. The support provided to TEVT institutions also remained insufficient. The IMCs and CMCs, intended to strengthen the link between TEVT institutions and the private sector, managed to get private sector participation but did not acquire the necessary autonomy to function properly. The MDP, designed to strengthen the management capacities of TEVT institutions, resulted in some improvements, such as the development of the MIS and training leading to increased management capacity. The establishment of the DMCs, which was not supported by the KPK government, did not take place.

45. The improvement of the quality and relevance of TEVT was the most effective component of the project. The competency-based training (CBT) was initiated with consulting support, and civil works took place, constructing a few priority projects. The support to CBT was too short-lived to create any meaningful and sustainable changes to the TEVT system. In addition, related interventions on accreditation and examination reform were not initiated, as they were planned to take place at a later stage in the project. As discussed, the government was keen to have more priority civil works projects included than originally envisaged under the project scope. These civil works did not take place, as the government and ADB could not agree on the restructuring of the project. None of the innovative schemes resulted in improvements. The computerization of the employment exchange centers did not contribute to improved service provision. The other innovative schemes—the on-the-job training and the establishment of the IMCs and CMCs—although desired, had only limited success.

46. Access to TEVT institutions was not enhanced with project support. The government and ADB clearly had different priorities in improving access. The government's focus was on extending the network of schools through building and upgrading TEVT institutions; ADB's focus was broader, including the provision of livelihood training. The government was not interested in supporting this kind of training under the project.

C. Efficiency in Achieving Outcome and Outputs

47. The project is assessed *inefficient*. The investments made under the project did not result in any reduction in dropout rates in TEVT institutions, any improvement in examination pass rates, and provided no improved access to TEVT among poor and female students (as the TVTC in Karak did not become operational). Some of the sector reforms—such as the establishment of the IMCs and CMCs, the use of an MIS to support the management of the TEVT system, and the implementation of the PBMS—could lead to efficiency gains in the long run if continued reform is driven by the DTE&MT and its R&D cell. The KPK government has shown some commitment to strengthening the TEVT system by continuing project activities and procuring equipment and furniture from its own resources past the project completion date.

D. Preliminary Assessment of Sustainability

48. The project is *unlikely* to be sustainable. Only a few of the activities initiated during the project are being continued. The KPK government procured equipment, furniture, and books after the closing of the project for the TEVT institutions that were constructed during project implementation. The R&D cell is still operational, although it is questionable what the cell can do with limited resources and support from the DTE&MT and DOI. Although the current environment in the province (with a growth in violence and instability) is not conducive to any kind of reforms, there is definitely need for improved skills training and a strengthened TEVT system. Skills improvement is one of the elements required for economic development and the creation of jobs. Preconditions for the future strengthening of the TEVT system is the full commitment of the KPK government, DOI, and DTE&MT to support sector reform, and the allocation of sufficient budget for further development of the TEVT system.

E. Impact

49. The project had no adverse environmental, social, and other impacts. Most of the project facilities were at existing locations, and the civil works at the new sites were at suitable locations that did not degrade the environment. The project attempted to contribute to increased women's access to skills training opportunities by supporting the construction of a TVTC for girls in Karak. The TVTC will require further government support before this goal is achieved.

V. OVERALL ASSESSMENT AND RECOMMENDATIONS

A. Overall Assessment

50. Overall, the project is rated *unsuccessful*. The project failed to achieve the outcome, as well as most of the outputs. The main reasons for not meeting the outcome were (i) the only partially relevant design of the project (ii) the continued partial relevance due to the discrepancy in project scope between the KPK government and ADB, which was not addressed during the project implementation; (iii) the changes in ADB administration of the project throughout the implementation period; (iv) the lack of ownership by the DOI as the executing agency and lack of guidance by the project steering committee; (v) the only partly satisfactory support by the consultants; and (vi) the slow progress in the activities and outputs, resulting in the early closure of the project.

B. Lessons

1. Design

51. A well thought out conceptual design is a key to the success of any project. In this case, the project design had commendable objectives, but it seems that the commitment and capacity of the executing and implementing agencies was overestimated, and there was too heavy a reliance on consultants. Due to lack of capacity and interest by the executing and implementing agencies, sector reforms did not get the traction that was aspired to.

52. Before a complex and innovative project is designed, particularly in a relatively less-developed region such as KPK province, it is necessary to have thorough consultation with stakeholders directly involved with the TEVT system to develop realistic activities. Some of the innovative activities under the project—such as the management development program, performance-based management system, and competency-based training—required many more resources and greater time allocated if they were to be developed successfully,.

53. In provincial projects it is important to identify the sector reforms that can be authorized on the provincial level. A number of the proposed reforms under the project, such as the competency-based training and the on-the-job training, required changes in the curriculum on the federal level.

54. Inadequate review by ADB of the PC-Is and inconsistencies between the PC-Is and the report and recommendation of the President are perennial problems that result in slowing down the pace of project implementation. A thorough review of PC-Is by ADB should be ensured by requiring the project officer to prepare a comparative statement identifying both the similarities and differences between PC-Is and the report and recommendation of the President and/or loan agreement, and advising the executing agency(ies) on corrective measures before declaring project effectiveness.

2. Implementation

55. One of the main strengths of the project was the continued presence of the same project management in the PMU, who were selected and appointed on a competitive basis.

56. More confusing were the frequent changes in the ADB administration of the project. During the project's 3.5-year life span, the administration moved from the South Asia Department to the Central and West Asia Department, and from the Social Sector Division via the Governance and Finance Division to the Pakistan Resident Mission. This was detrimental to the continuity of interaction with the KPK government.

57. The frequent change in administration also affected the filing of the key project documentation, resulting in some of the files remaining in headquarters and others in the resident mission.

58. During the inception mission, the KPK government requested a reallocation of loan proceeds in line with what was agreed to during loan negotiations. The requested reallocation required a major change in scope, which was proposed to take place during the midterm review mission, scheduled for the third year of project implementation. The midterm review mission does not necessarily need to come in the middle of the project period; it can be scheduled early

on, for instance in the first year of project implementation, if it would help to get the project going after a slow start.

C. Recommendations

59. The early closing of the TEVT project in KPK province left the reform of the TEVT system unfinished. The TEVT institutions are still not able to appropriately respond to the need for improved skills training.

60. Some of the sector reforms were initiated but will require continued support to become sustainable. The R&D cell is established in the DTE&MT and received support during the project. It will need budget and support from the KPK government to conduct its policy support work. The PBMS has been piloted in four TEVT institutions; further roll out will require the endorsement of the KPK government.

61. A number of reforms—such as the quality assurance and accreditation system, the examination reform, and the equivalency and certification system—did not start. These are important reforms to make the TEVT system more credible and accessible in the future. Some parts of the management development program aiming to strengthen the management of the TEVT institutions—such as the development of a project performance monitoring and evaluation system and the preparation of labor market surveys and tracer surveys—are also key in improving the TEVT system and are yet to be initiated. If a new TEVT project is designed, it will need to be more modest in scope, based on more thorough consultation with key stakeholders at the grassroots level, and tailored to the capacity of the government and the TEVT institutions.

62. The project performance audit report should be prepared after the preparation of the project completion report of the Balochistan TEVT project,¹³ which had its closing date advanced from 30 April 2011 to 24 May 2010.

¹³ ADB. 2004. *Report and Recommendation of the President to the Board of Directors: Proposed Loan Restructuring of the Technical Education and Vocational Training System Project (Balochistan)*. Manila (Loan 2133-PAK, for \$5.1 million, approved on 14 December 2004).

PROJECT FRAMEWORK

Design Summary	Performance Indicators/Targets	Comments
Goal Help the Government reduce poverty by making technical education and vocational training (TEVT) competitive, and TEVT graduates employable, in line with emerging market needs	For project institutions <ul style="list-style-type: none"> • Examination passing rate improved by 25% • Employment rate of TEVT graduates improved by 25% • Average earnings of TEVT graduates improved by 20% • About 5% TEVT graduates able to access credit for self employment 	No substantial progress was made towards obtaining any of the impact indicators
Purpose Improve the quality and relevance of TEVT programs by making them accessible, especially to females and the rural poor; increasing graduates' employability; and making key TEVT institutions efficient	Institutional efficiency (2005–2010) <ul style="list-style-type: none"> • Dropout rates in TEVT institutions reduced by 25% • Policies reformed to increase autonomy and improve management • Research and development (R&D) cell integrated with directorate of technical education and manpower training (DTE&MT) and strengthened, with labor market information system (LMIS) and management information system (MIS) to improve information on and analyses of key TEVT issues • Over 25% of TEVT institutions enabled to establish linkages with industry Quality and Relevance <ul style="list-style-type: none"> • Examination passing rate improved by 25% • Facilities and instructional materials upgraded selectively • New technologies and trades introduced to meet emerging market needs • Qualifications, experience, and skills of 25-50% TEVT teachers improved • Education standards and evaluation system improved through competency-based training (CBT) and quality Assurance Access and Equity <ul style="list-style-type: none"> • Access to TEVT among poor and female students increased (mechanisms and targets to be developed) 	No substantial progress was made towards obtaining any improvement in the dropout rate target IMCs/CMCs, with private sector participation, have been established in 5 TEVT institutions which is a step forward towards autonomy R&D Cell integrated in DTE&MT; TORs have been developed for staff of R&D Cell; MIS has been developed and is operational IMCs/CMCs, with private sector participation, have been established in 5 TEVT institutions No substantial progress was made towards obtaining any improvement in the examination passing rate Civil works have taken place in 4 TEVT institutions CBT has been supported, but did not result in any new curriculum development In total, 154 teachers were trained for 7 weeks, well of the 25-50% target CBT has been supported, but did not result in any new curriculum development The TVTC for girls in Karak was constructed, but not completed, as such failing to provide access to poor and female students

Design Summary	Performance Indicators/Targets	Comments
	<ul style="list-style-type: none"> • Equivalency and certification system introduced • Livelihood training provided to about 20,000 youth and adults • Entrepreneurship training, on-the-job training and counseling services introduced in TEVT institutes 	<p>The equivalency and certification system is not yet adopted by the KPK Government</p> <p>The KPK Government did not support this intervention</p> <p>These trainings did not take place during the Project implementation period</p>
<p>Outputs</p> <p>1. Institutional efficiency of TEVT institutions improved</p> <p>a. TEVT organization strengthened</p> <p>b. TEVT planning and financial management strengthened</p> <p>c. Management program for TEVT strengthened and made more relevant</p> <p>2. Improved quality and relevance of TEVT programs</p> <p>a. Teacher competence improved</p> <p>b. Facilities upgraded in selected polytechnics, TVTCs</p> <p>c. Job opportunities improved</p> <p>3. Equitable access increased</p> <p>a. Polytechnics' Intake capacity expanded</p> <p>b. Access to technical training centers, vocational training centers, and nonformal livelihood</p>	<ul style="list-style-type: none"> • DTE&MT strengthened with training of staff, equipment, and appropriate facilities • Provincial board of technical education strengthened through computerization of the examination system, improvement of question setting and evaluation, and training of examiners • R&D strengthened and absorbed under DTE&MT • TEVT management and planning enhanced through MIS, LMIS, PMIS, and refined terms of reference of key institutions and management committees • TEVT financing improved through competitive funding and resource mobilization • Management training modules reviewed and strengthened through targeted inputs and partnership with relevant institutions and experts • National Institute for Science and Technology Education (NISTE) engaged to support CBT and teacher training to meet emerging needs • Qualifications of about 300 TEVT teachers upgraded, including through exposure to industry • Quality of physical facilities, equipment, and instructional materials upgraded to meet emerging needs • Students made more employable through improved counseling, on-the-job training, and job placement services • Access to credit enhanced through entrepreneurship training and credit facilitation support • Two new training centers set up in Chitral and Karak, and facilities constructed for five existing training centers • Three new technologies added in existing polytechnics to benefit 600 students (girls and boys), and the bachelor's degree in technology created to benefit 200 students • About 20,000 people trained in livelihood activities 	<p>Training and equipment provided</p> <p>Did not happen</p> <p>R&D Cell strengthened and absorbed under DTE&MT</p> <p>MIS designed and operational</p> <p>TEVT financing was not improved</p> <p>Management training modules were not improved</p> <p>Consulting firm, AIDSI was hired instead</p> <p>In total, 154 teachers were trained for 7 weeks, well of the 25-50% target</p> <p>4 TEVT institutes have been upgraded</p> <p>Improved counseling, on-the-job training and job placement did not take place during the project implementation period</p> <p>Credit facilitation support was not set up during the project implementation period</p> <p>A new training center in Karak was constructed</p> <p>No new technologies were added</p> <p>No people were trained in livelihood activities</p>

Loan 2135-PAK(SF): Restructuring of the Technical Education and Vocational Training System Project (NWFP)

List of Beneficiaries of the Foreign Training Activity

I. Group I, United Kingdom

Names	Designation	Type of Visit	Duration
Dr. Sohail Altaf	Additional Secretary, Industries Department	Study Visit	9 days
Engr. Siraj Munir	Director General, Directorate of Technical Education and Manpower Training (DTE&MT)	Study Visit	9 days

II. Group II, United Kingdom

Names	Designation	Type of Visit	Duration
Mr. Zia-ur-Rehman	Secretary, Industries Department	Study Visit	9 days
Engr. Monibullah Khattak	Project Director, Project Management Unit of Loan 2135-PAK	Study Visit cum Training	15 days
Engr. Nasir-ud Din Khattak	Deputy Director (Administration), DTE&MT	Study Visit cum Training	15 days
Mr. Mian Khalidullah Jan Mian	Research Officer/Project Coordinator, Industries Department	Study Visit cum Training	15 days
Mr. Hidayatullah	Procurement Officer, Project Management Unit of Loan 2135-PAK	Study Visit cum Training	15 days

III. Group III, Manila, Philippines (1-30 April 2008)

Names	Designation	Type of Visit	Duration
Engr. Faridullah Khan	Deputy Project Director, Project Management Unit of Loan 2135-PAK	Training	30 days
Mr. Riaz Muhammad	PBME Officer, Project Management Unit of Loan 2135-PAK	Training	30 days
Engr. Muhammadullah	Associate Professor, GCT Peshawar	Training	30 days
Engr. Sajjad Ali Shah	Principal, Adv: Tech: Training Center Peshawar	Training	30 days

**List of In-Country Training for Teaching Staff
(training sessions of 7 weeks)**

	Principals	Head Dept.	Assoc. Prof.	Assist. Prof.	Chief Instr.	Vice Prof.	Lecturer	Chief R&D
PhD			1	1				
Master of Phil.	1		4	2				
Master of Science Engineering	3	1	3	8				
Master of Science Commerce	4	3	5	14	1		1	1
Bachelor of Science Engineering	16	3	13	24	1	2	1	1
Diploma of Associate Engineer	8	2		1	3	3	2	
Bachelor Technology	5			1	1			
Bachelor of Science	4			1				
FA	3							
SSC + Technical Certificate					1	2		
Certificate + experience	1				1	1		
Total (154)	45	9	26	52	8	8	4	2

Modules:

- General management
- Office management
- Financial management
- Service rules and regulations
- Planning and development
- Computer and internet orientation
- Teaching learning process

Loan No. 2135-PAK(SF): Restructuring of TEVT System Project (NWFP)
Planned and Actual Civil Works

Sr.No.	Name of work	Estimated cost	Date awarded	Contract (revised) cost	As % of all civil works
1	Construction of bldg for GCTI at Wari, Upper Dir	Rs.33.288	03.05.07	Rs. 47.863	18%
2	Construction of bldg for Academic Block for Mining Tech: at GPI Buner	Rs.4.872	10.05.07	Rs.9.300	4%
3	Construction of bldg for GTVC (F) Karak	Rs.12.500	24.09.07	Rs.17.489	7%
4	Construction of bldg for Academic Block for Mechatronics Tech: at GPI Bannu	Rs.4.983	04.09.07	Rs.6.211	2%
5	Construction of bldg for GTVC (F) Charsadda	Rs.12.619		Rs.19.088	7%
6	Construction of bldg for GTVC (F) Mardan	Rs.12.619		Rs.23.121	9%
7	Construction of bldg for GTVC (F) Swat	Rs.12.619		Rs.20.195	8%
8	Construction of bldg for GTVC (F) Swabi	Rs.12.619		Rs.19.584	8%
9	Construction of bldg for GTVC (F) Manshra	Rs.12.619		Rs.24.666	10%
10	Construction of bldg for GTVC (F) Chitral	Rs.14.375		Rs.22.372	9%
11	Construction of bldg for Instrumentation Technology at GCT Abbottabad	Rs.11.340		Rs.16.490	6%
12	Construction of bldg for Telecommunication at GCT Swat	Rs.4.872		Rs.14.842	6%
13	Construction of bldg for GTI Tank	Rs.28.293		Rs.37.410	15%
14	Construction of bldg for GPI (W) Abbotabad	Rs.68.653		Rs.104.472	41%
15	Civil works facilities for Production-cum Service Centers (Four)	Rs.8.107		Rs.8.107	0.03%
16	Renovation of Learning Resource Centers in GTVCs	Rs.2.193	16.05.07	Rs.1.306	0.5%
	Total	Rs.256.571		Rs.392.516	

Loan 2135-PAK (SF): Restructuring of TEVT System Project (NWFP)
List of Equipment

Name of Institution	Type of Equipment	Quantity	Amount (PRs)
Planning Cell of Department of Industries NWFP Peshawar	Hp P-IV Computer with Combo	2	100,000
	External Modem	1	3,500
	Hp printer (1320)	1	18,000
	Flash Drive 1GB	3	7,380
	UPS 1KVA	1	9,000
	Plain Paper Copiers 21CPM	2	250,000
	Stabilizers 3000VA	4	23,200
	Total:		411,080
Directorate of TE&MT	Hp P-IV Computer with DVD/Combo	6	300,000
	Hp Printer (1320)	4	72,000
	Hp Printer (2420)	2	84,000
	Flash Drive 1GB	4	9,840
	External Modem	2	7,000
	UPS 1KVA	3	27,000
	Plain Paper Copiers 21CPM	7	875,000
	Stabilizers 3000VA	10	58,000
	Split AC (1.5 ton)	5	144,000
	Laser Fax Machine	4	110,000
	Refrigerator	1	14,700
	Spiral Binding Machine	1	22,500
	Calculators	12	9,240
	Total:		1,733,280
Project Management Unit	Hp P-IV Computer with Combo	2	100,000
	Hp P-IV Computer with DVD	4	194,000
	Hp Printer (1320)	1	18,000
	Hp Printer (2420)	1	42,000
	Flash Drive 1GB	4	9,840
	External Modem	2	7,000
	UPS 1KVA	2	18,000
	Plain Paper Copiers 21CPM	1	125,000
	Stabilizers 3000VA	6	34,800
	Split AC (1.5 ton)	3	86,400
	Laser Fax Machine	1	27,500
	Refrigerator	1	14,700
	Spiral Binding Machine	1	22,500
	Calculators	8	6,160
	Total:		705,900

Name of Institution	Type of Equipment	Quantity	Amount (PRs)
Employment Exchange Unit Peshawar	Dell Core2Duo Computer	1	43,071
	Stabilizer 3000VA	1	5,800
	Spiral Binding Machine	1	22,500
	Plan Paper Copier 21CPM	1	125,000
	Laser Fax Machine	1	27,500
	Total:		223871
Employment Exchange Unit Kohat	Dell Core2Duo Computer	1	43,071
	Stabilizer 3000VA	1	5,800
	Spiral Binding Machine	1	22,500
	Plan Paper Copier 21CPM	1	125,000
	Laser Fax Machine	1	27,500
	Total:		223871
Employment Exchange Unit Bannu	Dell Core2Duo Computer	1	43,071
	Stabilizer 3000VA	1	5,800
	Spiral Binding Machine	1	22,500
	Plan Paper Copier 21CPM	1	125,000
	Laser Fax Machine	1	27,500
	Total:		223871
Employment Exchange Unit D.I. Khan	Dell Core2Duo Computer	1	43,071
	Stabilizer 3000VA	1	5,800
	Spiral Binding Machine	1	22,500
	Plan Paper Copier 21CPM	1	125,000
	Laser Fax Machine	1	27,500
	Total:		223871
Employment Exchange Unit Chitral	Dell Core2Duo Computer	1	43,071
	Stabilizer 3000VA	1	5,800
	Spiral Binding Machine	1	22,500
	Plan Paper Copier 21CPM	1	125,000
	Laser Fax Machine	1	27,500
	Total:		223871
Employment Exchange Unit Abbottabad	Dell Core2Duo Computer	1	43,071
	Stabilizer 3000VA	1	5,800
	Spiral Binding Machine	1	22,500
	Plan Paper Copier 21CPM	1	125,000
	Laser Fax Machine	1	27,500
	Total:		223871
Employment Exchange Unit Timergara	Dell Core2Duo Computer	1	43,071
	Stabilizer 3000VA	1	5,800
	Spiral Binding Machine	1	22,500
	Plan Paper Copier 21CPM	1	125,000
	Laser Fax Machine	1	27,500
	Total:		223871
Employment Exchange Unit Mingora	Dell Core2Duo Computer	1	43,071
	Stabilizer 3000VA	1	5,800
	Spiral Binding Machine	1	22,500
	Plan Paper Copier 21CPM	1	125,000
	Laser Fax Machine	1	27,500
	Total:		223871
Employment Exchange Unit Mardan	Dell Core2Duo Computer	1	43,071
	Stabilizer 3000VA	1	5,800
	Spiral Binding Machine	1	22,500
	Plan Paper Copier 21CPM	1	125,000
	Laser Fax Machine	1	27,500
	Total:		223871

Govt. College of Management Sciences Peshawar	Dell Core2Duo Computer	30	1,292,130
Govt. College of Commerce Hayatabad Peshawar	Dell Core2Duo Computer	30	1,292,130
Govt. College of Commerce (W) Peshawar	Dell Core2Duo Computer	20	861,420
Govt. College of Management Sciences Kohat	Dell Core2Duo Computer	10	430,710
Govt. College of Management Sciences Bannu-I	Dell Core2Duo Computer	10	430,710
Govt. College of Management Sciences Bannu-II	Dell Core2Duo Computer	10	430,710
Govt. College of Management Sciences Karak	Dell Core2Duo Computer	10	430,710
Govt. College of Commerce Karak City	Dell Core2Duo Computer	10	430,710
Govt. College of Management Sciences D. I. Khan	Dell Core2Duo Computer	20	861,420
Govt. College of Management Sciences Lakki Marwat	Dell Core2Duo Computer	20	861,420
Govt. College of Management Sciences Nowshera	Dell Core2Duo Computer	10	430,710
Govt. College of Commerce Charsadda	Dell Core2Duo Computer	10	430,710
Govt. College of Management Sciences Mardan	Dell Core2Duo Computer	30	1,292,130
Govt. College of Management Sciences Swabi	Dell Core2Duo Computer	20	861,420
Govt. College of Management Sciences Thana	Dell Core2Duo Computer	20	861,420
Govt. College of Management Sciences Sangota Mingoera	Dell Core2Duo Computer	10	430,710
Govt. College of Commerce Haripur	Dell Core2Duo Computer	10	430,710
Govt. College of Management Sciences Abbottabad	Dell Core2Duo Computer	30	1,292,130
Govt. College of Management Sciences Mansehra	Dell Core2Duo Computer	10	430,710
Govt. College of Management Sciences Chitral	Dell Core2Duo Computer	20	861,420

Loan 2135-PAK (SF): Restructuring of TEVT System Project (NWFP)
Project Cost (in US\$)

Item	ADB	Appraisal GoNWFP	Total	ADB	Actual GoNWFP	Total
A. Civil Works	856,000	335,000	1,191,000	898,783.08	429,222.44	1,322,153.27
B. Equipment and Furniture						
a. Equipment and Furniture	2,264,000	383,000	2,647,000	50,261.85	8,967.92	59,229.77
b. Computer, Printer and Software	512,000	86,000	598,000	245,520.11	14,354.00	259,874.11
c. Vehicles	87,000	33,000	120,000	30,592.68	7,201.50	37,794.18
d. Furniture	231,000	8,000	239,000	82,581.63	32,053.87	114,635.50
Subtotal	3,094,000	510,000	3,604,000	408,956.27	62,577.29	471,533.56
C. Learning Materials and Resources	389,000	67,000	456,000	399.55	-	399.55
D. Staff Development						
a. In-Country Training	1,036,000	178,000	1,214,000	116,207.56	24,737.09	140,944.65
b. Overseas/Regional Training	90,000	-	90,000	60,005.68	1,216.53	61,222.21
Subtotal	1,126,000	178,000	1,304,000	176,213.24	25,953.62	202,166.86
E. Research, Development, and Studies	106,000	18,000	124,000	-	-	-
F. Innovative and Incentive Grant Fund	1,546,000	269,000	1,815,000	1,403.31	-	1,403.31
G. Consulting Services						
a. International Consultants	270,000	-	270,000	47,346.00	8,357.20	55,703.20
b. Local Consultants	248,000	55,000	303,000	234,802.71	2,496.50	237,299.21
Subtotal	518,000	55,000	573,000	282,148.71	10,853.70	293,002.41
H. Counterpart Staff and Land	-	2,256,000	2,256,000	-	-	-
I. Administration, and Operation and Maintenance	1,608,000	557,000	2,165,000	136,393.44	85,301.31	221,694.75
Subtotal (A-I)	9,242,000	4,246,000	13,488,000	1,904,297.60	613,908.36	2,518,205.96
J. Contingencies	1,327,000	468,000	1,795,000	-	-	-
K. Interest Charges	431,000	-	431,000	16,002.63	-	16,002.63
Total	11,000,000	4,714,000	15,714,000	1,920,300.23	613,908.36	2,534,208.59

ADB = Asian Development Bank, GoNWFP = Khyber Pakthunkhwa Government.

Loan 2135-PAK (SF): Restructuring of TEVT System Project (NWFP)

CONTRACT AWARDS AND DISBURSEMENTS
(\$ million)

Year	Quarter	Contract Awards		Disbursements	
		Projected	Actual	Projected	Actual
2005	I	0.000	0.000	0.000	0.000
	II	0.000	0.000	0.000	0.000
	III	0.300	0.000	0.300	0.000
	IV	0.050	0.000	0.100	0.000
Total		0.350	0.000	0.400	0.000
2006	I	0.000	0.000	0.300	0.300
	II	0.320	0.000	0.030	0.001
	III	0.080	0.218	0.170	0.000
	IV	0.900	0.059	0.200	0.132
Total		1.300	0.277	0.700	0.433
2007	I	0.300	0.000	0.300	0.056
	II	0.300	0.000	0.300	0.002
	III	0.400	0.685	0.400	0.000
	IV	0.500	0.429	0.500	0.144
Total		1.500	1.114	1.500	0.202
2008	I	0.250	0.000	0.150	0.159
	II	0.325	0.130	0.500	0.087
	III	0.675	0.210	0.450	0.267
	IV	0.500	0.000	0.500	0.048
Total		1.750	0.340	1.600	0.561
2009	I	0.000	0.000	0.500	0.034
	II	0.000	0.190	0.000	0.708
	III	0.000	0.000	0.000	0.000
	IV	0.000	0.000	0.000	0.000
Total		0.000	0.190	0.500	0.742
Grand Total		4.900	1.921	4.700	1.938

Loan 2135-PAK (SF): Restructuring of TEVT System Project (NWFP)

IMPLEMENTATION SCHEDULE



(Target vs. Actual)

[illegible]

	2005		2006				2007				2008				2009				2010				2011			
Component/Activities	Year I		Year II				Year III				Year IV				Year V				Year VI							
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
c. Improve Relevance through Innovative Schemes																										
i. Entrepreneurship Training																										
ii. On the Job Training																										
iii. Career Guidance and Job Placement																										
iv. Production-cum-Service Center																										
3. Access and Equity Enhancement																										
a. Introduce Equivalency and Certification Certification System																										
b. Implement Nonformal Livelihood Skills Improvement Programs																										
c. Establish 2 Technical and Vocational Training Centers for Girls																										
i. Construct 2 TVTCs for Girls in Chitral and Karak																										
Completed at Karak only																										

CBT = competency-based training, CMC = center management committee, DMC = district management committee, IMC = institute management committee, MDP = Management Development Program, R&D = research and development, TEVT = technical education and vocational training, TTC = technical training center, VTC = vocational training center.

Source: Loan Review Mission, April 2008.

Target 
Actual 

Loan Approval - 14 December 2004

Loan Signing - 22 March 2005

Loan Effectivity - 29 September 2005

Original Loan Closing - 30 April 2011

Revised Loan Closing Date - 31 December 2008

Loan 2135-PAK (SF): Restructuring of TEVT System Project (NWFP)

STATUS OF COMPLIANCE WITH LOAN COVENANTS

Covenant	Reference in Loan Agreement	Status of Compliance
Project Executing Agency: The DOI shall be the Project Executing Agency. The Project Steering Committee established prior to the Effective Date, shall comprise the Additional Chief Secretary, and the representatives from DOI, DOF, Chamber of Commerce, DTE&MT and local government. The Additional Chief Secretary shall chair the meetings of the Project Steering Committee. The Project Steering Committee shall meet, at least, on a quarterly basis to review project implementation. It shall be responsible for coordinating policy reforms, addressing bottlenecks and providing overall guidance.	Schedule 6 Para 1	Partly complied with Since loan effectiveness, only three PSC meetings were held – one meeting a year instead of quarterly meetings. Moreover, the only role PSC played was approving the annual budget and no policy reforms
Project Implementing Agency: The DTE&MT shall be the Project Implementing Agency. A PMU shall be set up at or near DTE&MT with a Project Director, appointed competitively whose qualifications, experience and expertise are acceptable to ADB, and supported by a deputy project director, an account and disbursement officer, a procurement officer and a monitoring and evaluation officer and other staff as appropriate, whose qualifications, experience and expertise are acceptable to ADB. The Project Director shall be responsible for the overall implementation of the Project in close collaboration with the recipient institutions. The PMU shall organize quarterly implementation review meetings and prepare a quarterly report in English on implementation progress to be submitted to the Project Steering Committee and ADB for review	Schedule 6 Para 2	Partly complied with. The IA (DTE&MT) lacked capacity and interest. Resultantly, the effectiveness of the PMU was adversely affected.
To ensure continuity, efficiency and smooth implementation of the Project, the Borrower shall cause NWFP to ensure that the Project Director shall be appointed for, at least, a term of three (3) years. In case of an absolute necessity to replace the Project Director, <i>inter alia</i> , due to unsatisfactory performance, NWFP shall appoint a new Project Director, on a competitive basis, with qualifications, experience and expertise acceptable to ADB.	Schedule 6 Para 3	Complied with

Covenant	Reference in Loan Agreement	Status of Compliance
<p>District Management Committees. Each district affected by the Project shall establish a DMC and shall assign a DPC to supervise and implement district level activities as appropriate. Each DPC shall seek inputs as necessary from either consultants or experts from concerned Government offices to implement district level activities. The PMU shall provide technical support to DPCs.</p>	Schedule 6 Para 4	<p>Not complied with</p> <p>No DMC has been established in any TEVT district; instead IMCs established in select institutions. DMC concept was considered detrimental to the TEVT system due to the local political environment as advised by the Project Advisory Committee</p>
<p>Accounting, Auditing and Reporting. The PMU shall prepare quarterly reports on Project implementation in line with ADB's Project Performance Report and submit them to ADB within thirty (30) days of the end of each quarter. Within three (3) months of physical completion, the PMU shall submit a Project Completion Report to ADB. The PMU shall (i) maintain separate records and accounts for all expenditures financed out of the proceeds of the Loan; (ii) ensure accounts and financial statements as audited annually, in accordance with sound accounting principles by auditors acceptable to ADB; and (iii) furnish to ADB, not later than nine (9) months after the close of each fiscal year, certified copies of audited accounts and financial statements, and the report of the auditor.</p>	Schedule 6 Para 5	<p>Complied with</p> <p>Quarterly reports were submitted in line with PPR (PMU claims to have submitted all quarterly reports. Only 3 of the reports were collected during the preparation of the PCR, but records were overall incomplete due to regular transfer of the files between departments, HQ and RM)</p>
<p>Project Performance Monitoring and Evaluation System. The Project shall assist the DTE&MT to establish a comprehensive PPMEs by developing baseline information on all TVET institutions, and developing MIS and LMIS linked to a set of key monitoring indicators indicated in the Project Framework. The PPMEs shall monitor progress made on key indicators over the Project period, and also support all TEVT institutions to monitor their performance against the indicators presented in their IDPs. The performance indicators shall cover internal and external efficiency as well as quality and institutional indicators such as number of teacher positions filled, quality of teachers, availability of instructional materials, and</p>	Schedule 6 Para 6	<p>Partly complied with</p> <p>The MIS was developed and launched in May 2008 while the LMIS, and PPMEs were not conducted.</p>

Covenant	Reference in Loan Agreement	Status of Compliance
institutional capacity, etc. The PPMES shall allow comparison between the status at the time of Project start-up, and outputs at mid-term and end of the Project. TEVT annual planning and budgeting shall be linked to information available for PPMES. The PPMES shall establish mechanisms to introduce mandatory reporting and sharing of information with public. To ensure effective and transparent utilization of resources, the Borrower shall cause NWFP to require the TEVT institutions to provide financial information relating to the TEVT institutions to DMCs each year.		
Project Review. NWFP and ADB shall jointly conduct two (2) semi-annual reviews (at least one full review) of the Project each year. NWFP and ADB shall jointly establish the issues to be addressed during each mission and reports required. A mid-term review of implementation arrangements, with a focus on a few key issues, shall be carried out by NWFP and ADB during the Third (3) year of Project implementation. ADB and NWFP shall consider changes based on the findings of the review.	Schedule 6 Para 7	Complied with Loan Review Missions conducted in the following months/year: Loan Inception Mission – 23 to 26 November 2005 Loan Review Missions – 6-10 August 2006, 7-11 March 2007, and 8-11 April 2008
Time-bound Actions. The Borrower shall cause NWFP to undertake the following time-bound actions: (a) To implement new initiatives and programs to improve the quality, relevance, and efficiency of the TVET programs and institutions in accordance with the national policies on TVET sub-sector, NWFP shall issue within twelve (12) months of the Effective Date, the following binding directive(s): (i) TEVT institutions in NWFP shall: (a) adopt the CBT system developed under the Project for selective subjects and courses in all trades and technologies; (b) require teachers of these subjects and courses to conduct practical examinations following the CBT principles and format; (c) develop and implement on-the-job training programs as an integral part of the curriculum for all technologies and trades; (d) encourage teachers to obtain industrial	Schedule 6 Para 8	Not complied with None of the TVET institutions has adopted CBT system yet (curriculum is federal subject) Not complied with Not complied with Not complied with

Covenant	Reference in Loan Agreement	Status of Compliance
<p>experience with pay as part of the ongoing in-service training programs; and (e) gradually assume more autonomy in the management and utilization of resources including retention of revenues to support their activities according to the performance-based management system to be introduced under the Project.</p> <p>(ii) DTE&MT in collaboration with the PBTE shall (a) develop, implement, and institutionalize the equivalency and certification system in NWFP to provide more opportunities and greater success to TEVT for the out-of-school youths and adults and (b) DTE&MT shall develop, implement and institutionalize an accreditation and quality assurance system to improve the quality of TEVT institutions in NWFP.</p> <p>(b) NWFP shall ensure that the existing R&D cell shall become part of PMU. NWFP shall further ensure that immediately after the Effective Date:</p> <p>(a) the R&D cell shall be integrated under DTE&MT; and (b) NWFP shall become responsible for its expenses.</p> <p>(c) Unless otherwise agreed, NWFP shall ensure that within nine (9) months of the Effective Date each TEVT institution shall develop and submit for review and approval of DTE&MT, and IDP which clearly identifies objectives, targets, staffing requirements, capacity building needs, and budgetary requirements to qualify for civil works, equipment, and other support from the Project.</p> <p>(d) NWFP shall ensure that within eleven (11) months of the Effective Date, to enhance competitiveness of the polytechnics and training centers, DTE&MT shall prepare for NWFP's approval a 5 year plan encompassing (i) TEVT rationalization, (ii) teacher career development, and (iii) gradual autonomy of TEVT institutions. NWFP commits that the implementation of such plan shall begin within one (1) month after the approval thereof.</p> <p>(e) NWFP shall ensure that basic MIS and LMIS including all baseline information shall be set up by the PMU within twelve (12) months of the</p>		<p>Not complied with</p> <p>Not complied with</p> <p>Not complied with</p> <p>Complied with</p> <p>Complied with Not complied with</p> <p>Not complied with</p> <p>Not complied with</p> <p>Partly complied with (MIS)</p>

Covenant	Reference in Loan Agreement	Status of Compliance
Effective Date with plans for further development during the Project period.		
<p>General Assurances. The Borrower shall cause NWFP to adhere to the following assurances:</p> <p>(a) To ensure effective and timely implementation of the Project, NWFP shall ensure that upon completion of the TEP, essential experienced staff of TEP project implementation unit shall be transferred to the PMU.</p> <p>(b) NWFP shall sanction recruitment of necessary teaching and non-teaching staff for:</p> <p>(i) any new training centers before procurement of equipment for and construction of such training centers; and (b) any new programs contemplated under the Project before commencement of such programs. NWFP shall start recruitment of such staff immediately after the: (i) establishment of new training centers; and (ii) commencement of new programs.</p>	Schedule 6 Para 9	<p>Not complied with</p> <p>Partly complied with</p> <p>Not complied with</p>
<p>Counterpart Funds. The Borrower shall cause NWFP to allocate and make available, in a timely manner, requisite counterpart funds from its budget for each fiscal year for the smooth implementation of the Project</p>	Schedule 6 Para 10	Complied with
<p>Recurrent Costs. The Borrower shall ensure that NWFP shall maintain the additional recurrent costs of approximately Three Hundred and Seventy Thousand Dollars (\$370,000) equivalent required annually after the completion of the Project on 31 October 2010 to sustain the investments made under the Project.</p>	Schedule 6 Para 11	Not complied with
<p>Gender Considerations. The Borrower shall cause NWFP to ensure women's participation in Project implementation in accordance with the Gender Strategy set out in Appendix 15 of ADB's Report and Recommendation of the President for the Project. Based on the Gender Strategy, a gender action plan to improve gender imbalances in the TEVT sub-sector shall be prepared by the PMU and approved and implemented by DTE&MT within twelve (12) months of the Effective Date. The Borrower shall</p>	Schedule 6 Para 12	Not complied with

Covenant	Reference in Loan Agreement	Status of Compliance
further cause NWFP to attempt to ensure that at least fifty percent (50%) of the livelihood training programs shall include women.		
Land Acquisition and Resettlement. The Borrower shall cause NWFP to ensure that all required land for the Project is NWFP's land free from any encumbrances, structures, human settlements or cultivation. The Borrower shall cause NWFP to ensure that the Project shall not entail any land acquisition or resettlement and no persons shall be adversely affected in terms of ADB's <i>Policy on Involuntary Resettlement</i> and ADB's <i>Policy on Indigenous People</i>	Schedule 6 Para 13	Complied with
Environment. The Borrower shall cause NWFP to ensure that adequate environmental protection and safety measures shall be included in the design of the Project facilities and that the Project facilities shall be constructed, operated and maintained in accordance with ADB's <i>Environmental Policy</i> . The Borrower shall further cause NWFP to ensure implementation of the mitigation and monitoring measures as set out in the Initial Environmental Examination carried out for the Project.	Schedule 6 Para 14	Complied with
Public-Private Partnerships. The Borrower shall cause NWFP to support and encourage public-private partnerships in the sharing and utilization of resources of TEVT institutions such as management of production cum service centers, delivery of non-formal livelihood training programs, operation of second shift in TEVT institutions, and the establishment of DMCs and provision of seed money to DMCs, IMCs and CMCs.	Schedule 6 Para 15	Partly complied with

ADB = Asian Development Bank, CBT = center management committee, CMC = center management committee, DOF = Department of Finance, DOI = Department of Industries, DPC = district project coordinator, DTE&MT = Directorate of Technical Education and Manpower Training, IA = implementing agency, IDP = institutional development plan, IMC = Institute management committee, LMIS = labor market information system, MIS = management information system, NWFP = North-West Frontier Province, PCR = Project Completion Report, PMU = project management unit, PPMES = project performance monitoring and evaluation system, PPR = program performance report, PSC = Project Steering Committee, TEP = Technical Education Project, TEVT = Technical Education and Vocational Training.

Loan 2135-PAK (SF): Restructuring of TEVT System Project (NWFP)
OVERALL ASSESSMENT

Criterion	Weight (%)	Definition under ADB Guidelines	Rating Description	Rating Value	PRMP Rating
Relevance	20	Support to the TEVT sub-sector responded to the needs of the country and was in line with ADB's country strategy. The design of the project, however, did not fully correspond to the expectation of the Government of Khyber Pakthunkhwa (formerly North-West Frontier Province). The difference in view was not resolved during the implementation of the Project.	Partly relevant	1	0.2
Effectiveness	30	The outcome of the Project to strengthen institutional capacity of TEVT institutions, improve the quality of and increase the access to TEVT was not reached by the end of the Project. Progress was made for few of the outputs on which the KPK Government focused. The majority of the outputs were unsuccessful as they were not supported by the KPK Government, or as they came at the later end of the Project and could not be implemented because of the early closing of the Project.	Less effective	1	0.3
Efficiency	30	The investments made under the Project did not result in any reduction in dropout rates in TEVT institutions, in any improvement of examination passing rates and provided only limited improvement in access to the TEVT system among poor and female students.	Inefficient	0	0
Sustainability	20	As the first subprogram of a major program, it provides an opportunity for course correction in subsequent subprograms.	Unlikely	0	0
Overall Assessment	Unsuccessful: Overall weighted average is less than 0.8.				0.6

ADB = Asian Development Bank, KPK = Khyber Pakthunkhwa, TEVT = technical education and vocational training.