



Completion Report

PUBLIC

Project Number: 46166-001
Loan Number: 3033
TA Number: 8468
September 2022

India: Supporting Human Capital Development in Meghalaya

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Asian Development Bank

CURRENCY EQUIVALENTS

Currency unit – Indian rupees/s (₹)

	At Approval (27 September 2013)	At Project Completion (30 September 2020)
₹1.00	= \$0.0165	\$0.0135
\$1.00	= ₹61.78	₹73.76

ABBREVIATIONS

ADB	–	Asian Development Bank
AEFS	–	audited entity financial statement
APFS	–	audited project financial statement
CPS	–	country partnership strategy
DMF	–	design and monitoring framework
EARF	–	environmental assessment and review framework
EIRR	–	economic internal rate of return
EDDR	–	environmental due diligence examinations
EMP	–	environmental management plan
EMR	–	environmental monitoring report
GAP	–	gender action plan
GRM	–	grievance redress mechanism
ICT	–	information and communication technology
IEE	–	initial environmental examination
ITI	–	industrial training institute
JFPR	–	Japan Fund for Prosperous and Resilient Asia and Pacific
MSSDS	–	Meghalaya State Skill Development Society
NGO	–	non-governmental organization
NSQF	–	National Skill Qualification Framework
PIU	–	project implementation unit
PMC	–	project management consultant
PMU	–	project management unit
PSC	–	project steering committee
RMSA	–	Rashtriya Madhyamik Shiksha Abhiyan
SCF	–	skills challenge fund
SHS	–	secondary and higher secondary
SMC	–	school management committee
TA	–	technical assistance
TTC	–	teacher training center
TVET	–	technical and vocational education and training

NOTES

- (i) The fiscal year (FY) of the Government of India ends on 31 March. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2022 ends on 31 March 2022.
- (ii) In this report, “\$” refers to United States dollars.

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CONTENTS

	Page
BASIC DATA	i
I. PROJECT DESIGN AND IMPLEMENTATION	1
A. Rationale	1
B. Project Impact, Outcome, and Output	2
C. Project Costs and Financing	4
D. Disbursements	4
E. Project Schedule	5
F. Implementation Arrangements	5
G. Technical Assistance	5
H. Procurement	6
I. Poverty, Social, and Gender Equality	6
J. Safeguards	8
K. Other Applicable Theme: Strategy 2030	9
L. Monitoring and Reporting	9
II. EVALUATION OF PERFORMANCE	11
A. Relevance	11
B. Effectiveness	12
C. Efficiency	12
D. Sustainability	13
E. Development Impact	13
F. Performance of the Borrower and the Executing Agency	13
G. Performance of the Asian Development Bank	14
H. Overall Assessment	14
III. ISSUES, LESSONS, AND RECOMMENDATIONS	14
A. Issues and Lessons	14
B. Recommendations	15
APPENDIXES	
1. Design and Monitoring Framework	16
2. Project Cost at Approval and Actual	20
3. Project Cost by Financier	21
4. Disbursement of ADB Loan and Grant Proceeds	23
5. Contract Awards of ADB Loan and Grant Proceeds	24
6. Chronology of Main Events	25
7. Gender Action Plan	26
8. Status of Compliance with Loan Covenants	39
9. Contribution to Strategy 2030 Operational Priorities	50
10. Economic Analysis and Fiscal Sustainability Assessment	51
11. Safeguards	60
12. Learning Assessment	64
13. Technical Assistance Completion Report	68

BASIC DATA

A. Project Identification

1.	Project number and project title	46166-001: Supporting Human Capital Development in Meghalaya
2.	Mode of financial assistance	Project loan
3.	Country	India
4.	Borrower	Government of India
5.	Executing agency	Finance Department, Meghalaya
6.	Products	Project

Item	Approval Number	Financing Amount (\$ million)	Financing Source	Product Modality and Nature of Activities
Loan	3033	100.0	OCR	Project loan
TA	8468	2.0	JFPR	Transaction TA
Government		25.0		
Project Total		127.0		

ADB = Asian Development Bank, JFPR = Japan Fund for Prosperous and Resilient Asia and the Pacific, OCR = ordinary capital resources, TA = technical assistance, TASF = Technical Assistance Special Fund.

B. Milestone Dates by Product

Item	Loan 3033
Approval of concept clearance	
– Date started	30 April 2012
– Date completed	30 May 2012
Fact-finding mission	
– Date started	12 November 2012
– Date completed	19 November 2012
Loan negotiations	
– Date started	23 August 2013
– Date completed	23 August 2013
Date of Board approval	27 September 2013
Date of loan agreement	23 January 2014
Date of loan effectiveness	
– In loan agreement	23 April 2014
– Actual	7 March 2014
– Number of extensions	2
Project completion date	
– At approval	31 March 2019
– Actual	30 September 2020
Loan closing date	
– In loan agreement at approval	31 March 2019
– Latest revised	30 September 2020
– Number of extensions	2
Financial closing date	16 March 2022

C. Milestone Dates of Attached or Supported Technical Assistance

Item	TA 8468
TA approval date	27 September 2013
TA signing (effective) date	24 January 2014
TA completion date	
– At approval	31 January 2016
– Latest revised date	31 July 2018
– Number of extensions	3
Financial closing date	30 April 2022

TA = technical assistance.

D. Project Cost and Financing

1. Project cost (\$ million)

Cost	Estimate at Approval	Actual
Foreign exchange cost	100.0	82.84
Local currency cost	25.0	6.56
Total	125.0	89.40

2. Cost breakdown by project component (\$ million)

Component	Estimate at Approval	Actual
A. Base Cost		
Improved teaching and learning in government-aided SHS schools	41.1	55.60
Increased capacity and responsiveness of TVET	34.5	20.70
Increased awareness and participation	1.8	1.30
Enhanced project management and M&E	18.3	9.20
Subtotal A	95.9	86.90
B. Contingencies	21.3	1.30
C. Financing charges during implementation	7.8	1.20
Total	125.0	89.40

M&E = monitoring and evaluation, SHS = secondary and higher secondary, TVET = technical and vocational education.

3. Financing plan and actual (\$ million)

Cost	Estimate at Approval	Actual
Implementation cost		
Borrower financed	17.2	6.56
Asian Development Bank financed	100.0	82.84
Other external financing	0.0	0.00
Total implementation cost	117.2	89.40
Interest during construction costs	0.0	0.00
Borrower financed	7.8	1.20
Asian Development Bank financed	0.0	0.00
Other external financing	0.0	0.00
Total interest during construction cost	7.8	1.20

4. Disbursements

a. Disbursement dates by product

	First Disbursement	First Disbursement, Excluding Capitalization	Final Disbursement
Loan 3033	30 June 2014	30 June 2014	16 March 2022

b. Loan disbursed amount (\$ million)

Category	Original Allocation (1)	Increased/ (Decreased) during Implementation (2)	Canceled during Implementation (3)	Last Revised Allocation (4=1+2-3)	Amount Disbursed (5)	Undisbursed Balance (6=4-5)
Civil works	27.58	18.02	0.00	45.61	45.61	0.00
Equipment	18.34	1.43	0.00	19.77	19.77	0.00
Maintenance fund	1.10	0.00	1.10	0.00	0.00	0.00
Skills training and teacher training	23.84	1.37	12.39	10.08	10.08	0.00
Consulting services	11.03	0.00	3.65	7.38	7.38	0.00
Unallocated (contingencies)	8.11	0.00	0.00	0.00	0.00	0.00
Total	100.00		17.16	82.84	82.84	0.00
{\$ equivalent}						

5. Terms of loan by product
 – Interest rate - LIBOR
 – Maturity 20 years
 – Grace period (5 years)

E. Project Implementation

1. Project Schedule

Item	Estimate at Approval	Actual
Date of contract with consultant(s)	Q1 2014	Q2 2014
Completion of engineering designs	Q2 2014	Q2 2014
Civil works contract		
Date of award	Q3 2014	Q2 2014
Completion of work	Q1 2019	Q3 2018
Equipment and supplies		
Dates		
First procurement	Q4 2015	Q4 2017
Last procurement	Q1 2019	Q3 2019
Completion of equipment installation	Q1 2019	Q4 2019
Start of operations	Q4 2014	Q4 2014
Completion of tests and commissioning	Q4 2014	Q4 2017
Beginning of start-up	Q4 2014	Q4 2017
Other milestones		

2. Project Implementation Indicators

Project Indicator	Description
Project readiness	Design-ready
Concept approval to first disbursement (days)	730
Signing to first disbursement (days)	158
Loan closing to financial closing (days)	504

3. Project Performance Ratings

Implementation Period					Ratings		
From 30 June 2014 to 18 February 2021							
Year		Overall	Contract Awards	Disbursement	Financial Management	Technical/ Output	Safeguards
2014	Q1	On track	100.000%	100.000%	Yes	Yes	S
	Q2	On track	100.000%	100.000%	Yes	Yes	S
	Q3	On track	100.000%	100.000%	Yes	Yes	S
	Q4	On track	100.000%	89.677%	Yes	Yes	S
2015	Q1	Potential problem	94.674%	73.620%	Yes	Yes	S
	Q2	Potential problem	81.800%	55.358%	Yes	Yes	S
	Q3	Potential problem	91.929%	44.951%	Yes	Yes	S
	Q4	Potential problem	86.777%	47.844%	Yes	Yes	S
2016	Q1	On track	100.000%	84.192%	Yes	Yes	S
	Q2	On track	90.649%	81.098%	Yes	Yes	S
	Q3	Potential problem	78.534%	75.683%	Yes	Yes	S
	Q4	Potential problem	73.650%	81.718%	Yes	Yes	S
2017	Q1	Potential problem	79.537%	72.841%	Yes	Yes	S
	Q2	Actual problem	74.516%	67.792%	Yes	Yes	S
	Q3	Actual problem	71.164%	64.757%	Yes	Yes	S
	Q4	Potential problem	90.988%	63.826%	Yes	Yes	S
2018	Q1	On track	98.882%	100.000%	Yes	Yes	S
	Q2	Potential problem	78.905%	87.298%	Yes	Yes	S
	Q3	Potential problem	77.972%	81.953%	Yes	Yes	S
	Q4	On track	99.897%	100.000%	Yes	Yes	S
2019	Q1	On track	100.000%	100.000%	Yes	Yes	S
	Q2	On track	98.700%	99.501%	Yes	Yes	S
	Q3	On track	100.000%	88.634%	Yes	Yes	S
	Q4	On track	100.000%	89.816%	Yes	Yes	S
2020	Q1	On track	97.828%	82.361%	Yes	Yes	S
	Q2	For attention	98.808%	67.916%	Yes	Yes	S
	Q3	On track	99.535%	79.494%	Yes	Yes	S
	Q4	On track	99.740%	95.441%	Yes	Yes	S
2021	Q1	On track	100.000%	100.000%	Yes	Yes	S

4. Asian Development Bank Missions

Name of Mission	Date	No. of Persons	No. of Person-Days	Specialization of Members	Virtual Mission (Yes/No)
Loan inception	29–30 Apr 2014	3	2	a	No
TA inception	27–28 Apr 2014	3	2	a, c, and f	No
Loan review	15–21 Nov 2015	2	5	a, c, d, e, and f	No
Loan review	11–13 Aug 2015	1	3	c, d, and f	No
Loan review	23–28 Feb 2015	1	5	a, c, d, and f	No
Loan review	18–23 Jul 2016	1	5	c, e, and f	No
Loan review	20–30 Nov 2017	1	10	b, c, e, and f	No
Loan review	8–17 May 2017	1	10	b, c, e, and f	No
Loan review	6–19 Jun 2018	5	8	b, c, e, and f	No
Midterm review	10–14 Dec 2018	4	6.5	b, c, e, and f	No
Project specific contact/consultation	1–2 Apr 2019	3	3.5	b	No
Loan review	29 Apr–10 May 2019	3	9	b, c, e, and f	No
Loan review	19–23 Aug 2019	2	4.5	b, c, e, and f	No
Loan review	2–4 Sep 2020	2	3		Yes
Project completion review	23–25 March 2022	2	3	b, c, e, and f	Yes

a = economist, b = social sector, c = environment safeguards, d = portfolio management, e = gender, f = social safeguards.

I. PROJECT DESIGN AND IMPLEMENTATION

A. Rationale

1. Meghalaya is a remote tribal state with hilly terrain and poor infrastructure. Because of these attributes, attracting private investments is a big challenge for the state. The poor quality of Meghalaya's secondary (grades 9 and 10) and higher secondary (grades 11 and 12) (SHS) schools and outdated technical and vocational education training (TVET) program makes it difficult for the state's youth to transition from primary to secondary or tertiary education, and to compete for formal employment, especially outside the state in the regional and national labor markets.

2. While 90% of employment opportunities required vocational skills, Meghalaya's education system focused on rote learning or memorization by repetition. Most of the skills development programs were funded by central ministries. The state Government of Meghalaya had limited flexibility in tailoring them to meet the state's emerging priorities. These programs were outdated and were not linked with the demands from the private sector. Because of poor learning environment and limited capacity at the SHS level, many students had dropped out before completing their education. This became a heavy burden on Meghalaya's under-resourced TVET programs. The annual TVET training capacity was 7,000 against the state's target of 21,000. Industry linkages of the TVET programs were weak resulting in poor placement rates.

3. In this context, human capital development became a priority of the state government of Meghalaya. The Twelfth Five-Year Plan of Meghalaya (2012–2017) emphasized that education and skills development are a cornerstone of development which enhance people's productivity and employability.¹ To improve the quality of SHS education, the state government needed additional support to improve the infrastructure and learning environment in government-aided private schools, where most poor students go.

4. The Meghalaya State Skill Development Society (MSSDS) was established in December 2011 under the provisions of the Meghalaya Societies Registration Act, 1983. MSSDS was authorized to receive funds from the government (central and state), and from financial institutions, for fulfilling the mandate of the Meghalaya State Skill Development Mission (MSSDM) to support outcome-based skills development activities in Meghalaya as laid down by the Meghalaya State Employment Promotion Council (MSEPC).

5. The state government needed support to improve the infrastructure and learning environment in government-aided private schools and to operationalize MSSDS by drawing on best practices and capacity development support. Given the state government's long-term vision and commitment, the Asian Development Bank (ADB) supported its efforts toward human capital development, skills development of human resources, and improving the quality of SHS education through the project Supporting Human Capital Development in Meghalaya. To ensure successful project implementation, a technical assistance (TA) for capacity development was provided through Capacity Building for Supporting Human Capital Development in Meghalaya.²

¹ State Government of Meghalaya, Planning Department. 2012. *The Twelfth Five-Year Plan*. Shillong. https://megplanning.gov.in/plan/tenplan_200712.html.

² ADB. 2013. *Technical Assistance: Capacity Building for Supporting Human Capital Development in Meghalaya*. Manila.

6. The project design was well-aligned with Meghalaya State Education Policy and India's national standards and frameworks.³ Upgrading of SHS schools was done using Rashtriya Madhyamik Shiksha Abhiyan (RMSA) standards.⁴ Skills development activities were based on the National Skills Qualifications Framework (NSQF),⁵ National Occupational Standards (NOS),⁶ and National Council for Vocational Training (NCVT)⁷ norms. During project design, ADB consulted various government departments, peoples' representatives, and non-government organizations (NGOs), including representatives of major and minor tribal groups, *durbars* and *nokmas* (councils of tribal elders), women's groups, school management committees (SMC), teachers, students, parents, and skills providers.

7. At appraisal, the project was aligned with ADB's country partnership strategy (CPS) for India, 2009–2012. Digitalization, teacher training, school improvement plans, and girl-friendly school infrastructure, among others, were deemed most appropriate to strengthen the SHS education ecosystem. In skills development, focusing on farming and native (traditional crafts) sectors, in addition to manufacturing and service sectors, and providing aspirational infrastructure for industrial training institutes (ITIs) were expected to make skills development activities market-aligned. These interventions aimed to enhance employability of the state's youth. The project loan modality was appropriate as the project scope was straightforward, and well-defined works and services were supported to achieve the target outputs and outcome.

B. Project Impact, Outcome, and Output

8. The project's envisaged impact was to enhance the employability of Meghalaya's youth (16–35 years old). The target to reduce unemployment rate from 11% in 2009/2010 to 8% in 2022/2023 has been achieved as the unemployment rate was already at 2.7% in 2019/2020. The target to increase the average pass rate at the secondary level in government-aided private schools by 5% from the 2010/2011 pass rate of 67.1% in class 10 and 69.5% in class 12 has been achieved. The average pass rate increased by 6% in class 10 and 12% in class 12 by the target year 2022/2023 (Appendix 1).

9. The envisaged outcome was improved access to and quality and delivery of SHS education and technical and vocational skills training in Meghalaya. The two outcome targets were exceeded. First, the project achieved a 7% reduction in dropout rate per annum, from 11% for both girls and boys at SHS levels in 117 government-aided private schools covered under the project, against a target of 5%.⁸ Second, 70.99% skilled male and female trainees under the project were employed in a year against the target of 60%.

³ State Government of Meghalaya, Department of Education. 2018. *Meghalaya State Education Policy* (approved by the Cabinet on 21 September 2018). The policy's vision is a stimulating and an equitable education of the highest quality that will foster innovation and transformation and facilitate inclusive growth and development in the state.

⁴ MHRD. 2014. *Rashtriya Madhyamik Shiksha Abhiyan (RMSA): Guidelines for Access to Secondary Education*. New Delhi; MHRD. 2014. *Framework for Implementation of RMSA*. New Delhi. RMSA standard involves addition of school facilities such as girls' activity room, library, and science and computer laboratories.

⁵ NSQF is a competency-based framework that organizes all qualifications according to a series of levels of knowledge, skills, and aptitude. These levels, graded from 1 to 10, are defined in terms of learning outcomes which the learner must possess regardless of whether they are obtained through formal and informal learning.

⁶ NOSs describe best practices by bringing together performance criteria, knowledge, and skills pertaining to a job role. A set of NOSs related to a specific job role is called Qualification Pack (QP). Qualification Pack for every job role is pegged at NSQF level.

⁷ In 2018, the Ministry of Skill Development and Entrepreneurship (MSDE) introduced new affiliation/accreditation norms for industrial training institutes (ITIs) by focusing on its qualitative aspect. In the new affiliation norms, the civil and infrastructure requirements have been mostly overhauled.

⁸ Using compounded annual growth rate (CAGR).

10. Some output targets in the design monitoring framework (DMF) were revised during implementation.⁹ Outputs 1b (reduced number of students from 3,200 to 1,980 and schools from 40 to 33), 1d (lower percentage of women teachers from 50% to 45%), and 2b (reduced number of youth trained from 60,000 to 25,000) were modified.¹⁰ These modifications were made because of the changes in government norms in terms of upgrading higher secondary schools (HSS), retaining healthy teacher–student ratio, and adding 500 under-qualified teachers for in-service training, as well as start-up delays in finalizing the skills plan under the project.

11. **Output 1: Improved teaching and learning in government-aided SHS schools.** Out of five, four targets were achieved, and one was substantially achieved. First, a total of 117 SHS government-aided schools, spread across the 11 districts of Meghalaya (against the target of 117 schools) were upgraded to meet the infrastructure, training, and gender and social equity standards of RMSA. Second, enrolment capacity increased by 1,589 students in grades 11 and 12 in 26 upgraded schools, of which 39.40% are boys and 60.60% are girls (against the revised target of 80% of 1,980 students in 33 schools). Upgrading of the remaining seven schools is ongoing to cover the remaining students expected during 2022 academic year. This target was substantially achieved. Third, two state-run teacher training centres (TTCs) and four district institutes of education training (DIET) were upgraded to national standards (against the target of six TTCs) to train primary and SHS teachers.¹¹ Fourth, a total of 3,717 teachers (51% women) from 572 government-aided schools were trained (against the target of 3,500 SHS teachers [45% women] covering 591 government-aided private schools). In addition, 700 teachers were trained from 119 government schools (55% women). Lastly, information and communication technology (ICT) enabled teaching and learning was pilot tested in all 117 schools (against the target of 117 schools) with two digital classrooms installed in each of the schools which promoted self-paced learning, accessibility, and easy communication.

12. **Output 2: Increased capacity and responsiveness of technical and vocational education and training.** Of the three targets under this output, two were achieved and one was partially achieved. First, the Skills Challenge Fund (SCF) supported the MSSDS, wherein 12 private sector training providers were engaged to train Meghalaya youth as a part of Skill India program.¹² Second, 14,610 (58%) youth were trained, of which 9,065 (62%) are women and 14,510 (99.32%) are from tribal groups (against the revised target of 5,000 youth per annum or 25,000 over project period [40% women trainees and 95% tribal trainees]). This target has been

⁹ For output 1b, 40 project schools will be upgraded to higher secondary schools (HSS, class 11 and 12) with an enrolment capacity of 3,200. The Government of India revised the norms for upgrading to HSS and prescribed the distance of 5 kilometers between two HSS. Subsequently, 33 project schools were identified for upgrading to HSS. The target for enrolment was reduced from 3,200 to 1,980 students (30 students per class instead of 40) to reflect the existing government norms on teacher–student ratio. The gender target of 50% girl students was also added. For output 1d, the gender target was reduced from 50% to 45% for training of in-service teachers since a new gender target of training at least 500 underqualified secondary and higher secondary teachers (at least 33% women teachers) has been included in GAP for six teacher training centers. For output 2b, the target was revised from 12,000 youth trained per year or 60,000 over the project period to 5,000 youth trained per year or 25,000 over the project period. The original contract for conducting skills gap analysis and identifying trades for implementation under the SCF was terminated in October 2015 after key experts withdrew from the assignment. The PMC prepared a skills gap analysis and skills plan. However, out of 26 planned packages, only 13 were finalized due to non-responsive bids and failure in contract negotiations. Consequently, the state government during 2019–21 cancelled \$8.52 million from SCF out of \$20.00 million, and the target was reduced from 60,000 to 25,000 youth trained.

¹⁰ ADB. 2020. Memo – Loan 3033-IND: Supporting Human Capital Development in Meghalaya—Request for Approval for Minor Change in Implementation Arrangements, 18 March.

¹¹ District institutes of education training (DIET) are also considered as TTCs since their mandate is to train teachers. DIETs are located in interior areas of Meghalaya and improve access to teacher training substantially.

¹² Challenge Fund is a financing instrument (grant or loan) that channels money through eligible institutions or service providers for fulfilling specific development objectives.

partially achieved because of the disruption caused by the coronavirus disease (COVID-19) pandemic, however, the targets pertaining to women and tribal trainees have been overachieved. Lastly, the training equipment and curriculum in 10 ITIs of Meghalaya were upgraded to support employment-oriented training programs such as on hospitality, weaving, horticulture, food processing, advance machine tools, and electronics.

13. **Output 3. Increased awareness and participation.** The project achieved the target of at least 20,000 participants (50% women) in awareness building and mobilization campaigns that address social, economic, and gender barriers to completing secondary education and accessing TVET programs. A total of 8,332 campaigns for SMC, women's groups, the youth, parents, and government officials, among others, were conducted with 182,169 participants, of whom 86,746 participants (48%) were women.

14. **Output 4: Improved project management, monitoring, and evaluation.** The first target was partially achieved. Against the originally targeted implementation period of 5 years, the project was completed in 6 years and 6 months (30% time overrun). Against the original project outlay of \$100.00 million, the project was completed with a minor change in scope involving a revised project outlay of \$82.84 million (17.16% lesser funds). The second performance target was achieved. The monitoring and evaluation system, with gender targets for education and skills development, was put in place as witnessed in periodic project reporting through quarterly progress reports, periodic reports on gender action plan, skills development activities progress reports, and PCR data reporting, among others.

C. Project Costs and Financing

15. At appraisal, the total project cost was estimated at \$125.00 million, with an ADB share of \$100.00 million (80%) and the state government's contribution of \$25.00 million (20%). In addition, the Japan Fund for Prosperous and Resilient Asia and Pacific (JFPR, previously Japan Fund for Poverty Reduction) provided \$2.00 million funding through a technical assistance for capacity development. At project closure, the actual project cost incurred is \$89.40 million, of which ADB financed \$82.84 million (92.66%) and the state government financed \$6.56 million (7.3%). The total project cost was lower because of the appreciation of the US dollar against the Indian rupee, slow progress of activities under SCF, and the impact of the COVID-19 pandemic, among others. Details are provided in Appendixes 2 and 3.

D. Disbursements

16. Out of the ADB loan of \$100.00 million, the project disbursed a total of \$82.84 million and processed six partial loan cancellations totaling \$17.16 million.¹³ The project utilized advance fund and reimbursement procedures. The amount of advance fund was \$9.00 million. Project disbursement complied with the *ADB Loan Disbursement Handbook* (2017 as amended from time to time). Projected disbursements at appraisal were considered ambitious given the limited capacity of the executing agency and the difficult geographical terrain of project areas. Actual disbursements were affected by start-up delays and longer time taken in finalizing SCF packages (Appendix 4). The pace of disbursements picked up in 2020 because of several measures adopted by the state government (para. 18).

¹³ The first cancellation of \$10.00 million was approved on 6 March 2019, the second cancellation of \$2.00 million on 18 June 2019, the third cancellation of \$3.00 million on 17 July 2020, the fourth cancellation of \$1.50 million on 1 February 2021, and the fifth cancellation of \$0.26 million on 18 February 2021. The sixth cancellation of \$0.40 million was because of a refund received from the borrower.

E. Project Schedule

17. The loan was approved on 27 September 2013 and signed on 23 January 2014 with an original closing of 31 March 2019. During the design phase, a common bill of quantities was prepared for bidding out of 30 schools under package 1 with 10 lots, based on a preliminary survey of schools with limited consultancy support and Public Works Department manpower. However, the design and supervision consultants (DSC), who were mobilized after loan effectiveness, conducted a detailed survey of schools, and finalized the bill of quantities and drawings by school which resulted in a delay of approximately 9 months in starting the civil works. Prolonged finalization of the skills plan under SCF also contributed to start-up delays. The original closing date was extended twice up to 30 September 2020. The first extension of 12 months was approved on 9 February 2018; the second 6-month extension was approved on 1 April 2020. Despite the start-up delays, completing the project in six and half years is a remarkable achievement for a first-time executing agency and for the first multisector project in the human development sector in a geographically challenging terrain.

F. Implementation Arrangements

18. The state Government of Meghalaya through the Department of Finance was the project's executing agency. The Department of Education was designated as project implementation unit (PIU) 1 and MSSDS as PIU 2. During project implementation, PIU 3 was formed to implement the ITI upgrading, while PIU 4 was set up to do the civil work components. PIU 3 is headed by the principal secretary of the Department of Labor and PIU 4 is led by the additional chief secretary (in charge) of Public Works Department. Eleven district project coordination units were established to support project implementation work at the district level. A project steering committee (PSC) guided project implementation. Headed by the chief secretary, the PSC consisted of the heads of finance, planning, education, community and rural development, and labor departments. The chief executive officer of the MSSDS acted as PSC's member-secretary. These measures included (i) posting of full-time heads of PIUs; (ii) adequate delegation of powers to facilitate quick decision making; and (iii) recruiting staff from open market, such as monitoring officers of education department and skills development officers of MSSDS, using state funds to support project implementation. The state government also provided a large office space in the Department of Labor for consulting firms to support project implementation. Implementation arrangements were adequate to achieve project outcomes and outputs.

G. Technical Assistance

19. The JFPR supported the TA on Capacity Development for Supporting Human Capital Development (TA 8468-IND) in Meghalaya, attached to the project, totaling \$2.00 million. Administered by ADB, the TA focused on (i) creating an institutional framework to improve the quality and delivery of skills development and secondary education programs in Meghalaya; and (ii) building capacity to ensure that this institutional framework is sustainable and results-oriented. The TA outputs included: (i) strengthened capacity of the PIU in skills development to operationalize the MSSDS; (ii) strengthened capacity of the PIU in education and teacher training to improve learning outcomes at the secondary and higher secondary levels; (iii) capacity building for effective project management; and (iv) enhancing development effectiveness and learning through capacity building in monitoring and evaluation, data collection, data handling, and data dissemination for future planning and implementation. Capacity development support provided under the TA significantly contributed to bringing the project back on track. Out of \$2.00 million, \$1.78 million (90%) was utilized. The TA is rated *successful* (Appendix 13).

H. Procurement

20. **Procurement packages.** Consultants were recruited following ADB's Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers (2007, as amended from time to time). Procurement of works packages adhered to ADB's Procurement Guidelines (2007, as amended from time to time). The project followed prior review. While the project proposed 18 packages at appraisal, the number of packages during implementation was increased to 59 with a total of 141 contracts (79 for works, 19 for consultancy, and 43 for goods). The increase was due to the introduction of (i) native trades and integrated farming packages under the SCF to make skill development activities highly relevant, and (ii) additional equipment packages based on further due diligence during implementation. Project management consultant (PMC) support was not available in the last 1.2 years of the project since the executing agency decided to continue project implementation with available loan consultants and human resources mobilized with state funds which did not affect implementation. A total of 41 packages were successfully completed, executed by 77 entities (1 international and 76 national). Appendix 5 provides the annual and cumulative contract awards. ADB worked closely with the executing agency to address issues in a timely manner (para. 21). The overall performance of contractors, consultants, and equipment suppliers is rated *satisfactory*.

21. **Procurement progress.** The project experienced start-up delays. The first civil works package recorded repeated bid failures. Despite initial hurdles, measures were taken to attract bidders and significantly improved procurement time. The state government, with support from ADB, conducted business opportunity seminars with local contractors and split the package into 10 lots, which facilitated active participation of contractors and successful bidding of the package. The first civil works package took 11 months for award. Subsequent 10 packages took about 7 months on average which put the project back on track. The initial consultancy packages pertaining to project management, design supervision, monitoring and evaluation, and community mobilization were awarded before loan approval. However, consultancy packages pertaining to the SCF were awarded only in years 3 and 4 primarily because of the time taken in finalizing the trades to be advertised. Once the trades were finalized, the executing agency took proactive measures for timely award of contracts (para. 18). The first consultancy package under SCF took 27 months. Subsequent 15 packages took 10.5 months on average for award. The original contract award projections were too optimistic and possible delays in procurement were not anticipated. The projections and implementation schedules were revised, with assurances during each review mission to achieve the revised schedule and progress (Appendix 5).

I. Poverty, Social, and Gender Equality

22. The poverty and social analysis carried out during due diligence highlighted that Meghalaya is a predominantly tribal state. The youth of Meghalaya (i.e., women and men aged 16–35), especially from the poor and rural tribal areas, were expected to be the primary project beneficiaries. The tribal groups listed in the Constitution (Scheduled Tribes) Order, 1950, account for 86% of Meghalaya's population. The project, therefore, included pro-poor and gender-focused design elements and kept provisions for extensive support for community development and awareness-raising activities supported by social development consultants and NGOs.

23. The project provided women from vulnerable and low-income households with skills development opportunities in traditional and non-traditional livelihood sectors and clusters. The project was categorized *effective gender mainstreaming* and had a gender action plan (GAP). Its primary thrust was to increase access to quality education, skills development, and employment opportunities of girls and boys who dropped out from school, and women and men from low-

income and vulnerable tribal groups. The GAP activities aligned with the project DMF are (i) upgrading and/or installation of girl-friendly facilities in target SHS schools; (ii) establishment of classes 11 and 12 in 33 schools; (iii) development and implementation of training programs for both male and female teachers, students, and SMC members, following RMSA standards; (iv) improvement in the effectiveness of technical and vocational education and training to address the skills needs of the youth, and awareness building on equal educational and skills development opportunities for women and men; (v) skills-gap analysis to identify appropriate trades for women in sectors/subsectors where jobs are available within and outside Meghalaya; (vi) capacity development of relevant government departments on gender equality issues in education and skills development; and (vii) progress monitoring and evaluation on gender-focused activities in education/skills development, using sex-disaggregated data.

24. The project had adequate implementation arrangements for GAP. Social development (gender) consultants and NGOs were mobilized to provide direct support to the state government in implementing gender equality and social development activities. The social development consultants from PMC, along with NGOs, worked closely with other project consultants to implement the GAP activities. The executing agency designated a gender focal point in each of the four project implementation units to supervise the implementation of GAP activities and the collection of sex-disaggregated data. The overall institutional arrangements for the GAP implementation were assessed as *adequate*; and the GAP implementation, monitoring, and reporting were *satisfactory*. ADB regularly monitored the GAP implementation and carried out joint reviews on the GAP achievements from time to time. During the project midterm review, ADB engaged with the state government in identifying implementation challenges and minor changes in circumstances, resulting in the alignment of six GAP activities (Appendix 7, Section D) followed by a minor change in the scope of the project in March 2020.

25. **Poverty reduction.** The project outputs such as increasing enrolment in SHS, upgrading of schools, introduction of new trades in ITIs, and awareness building programs are oriented toward enhancing employability, providing self-employment opportunities, and encouraging the target groups to join skills-building programs, with the aim of reducing poverty in the state. According to the economic survey of India 2020/21, the net domestic product of Meghalaya had almost doubled in 2019/2020 (roughly ₹34,000 crores¹⁴) as compared to 2011/2012 (roughly ₹17,000 crores). The per capita net state domestic product of Meghalaya at current prices rose from about ₹60,000 in 2011/2012 to about ₹80,000 in 2019/20.¹⁵ The latter growth from 2012/13 to 2019/20 was comparatively higher for Meghalaya (10%) compared with that of India (6%). Alignment of these activities with Strategy 2030 is given in Appendix 9.

26. **COVID-19 impacts.** Because of the COVID-19 pandemic, most skills development activities had stalled. MSSDS also found that parents were unwilling to send the youth outside the state for employment because of the pandemic; thus, meeting the targets of wage employment became very challenging. This situation prompted MSSDS to request for further reduction of the output 2b target under SCF from 25,000 to 22,000,¹⁶ but was not processed by ADB since the request was made just before the project closing date. MSSDS prepared a convergence plan to integrate skills development activities conducted under various departments at the district and block level for skilling and employment of Meghalaya youth, including those trained under the project. MSSDS also sought advisory support through the Meghalaya Institute

¹⁴ 1 crore = 10 million.

¹⁵ Government of India, Ministry of Finance, Department of Economic Affairs, Economic Division. 2021. *Economic Survey 2020–21*. Volume 1. New Delhi.

¹⁶ ADB. 2020. e-Review Mission Back-to-Office Report. 2–15 September.

of Entrepreneurship in carrying out these activities. In addition, 11 Mahatma Gandhi National fellows and advisory support of the Indian Institute of Management, Bengaluru have been mobilized under a World Bank-supported SANKALP program to carry on these activities in a sustainable manner.¹⁷ The state Government of Meghalaya undertook these actions to sustain the skills development initiatives taken under the project.

J. Safeguards

27. **Environmental safeguards.** The project was categorized as “B” for environment as per ADB’s Safeguard Policy Statement (SPS), 2009 and remained the same from commencement to closure. An environmental assessment and review framework (EARF) was prepared in February 2013 to guide the subproject selection, screening and categorization, environmental assessment, and preparation of safeguards plans and documents, such as initial environmental examinations (IEE) and environmental management plan (EMP), during implementation. The EARF was updated in December 2017 clarifying the functioning of the project’s grievance redress mechanism (GRM). A sample IEE report, including the EMP, was prepared and disclosed on the ADB website in February 2013, when the project was processed. The works commenced for some of the subprojects without ADB-cleared IEE reports, which was flagged as a non-compliance issue with SPS 2009, Project Administrative Manual (PAM), and EARF. In response, a corrective action plan was agreed between ADB and the executing agency, with support from the environment specialist of DSC. A total of 131 IEE reports covering all subprojects, including EMPs, were prepared, cleared, and disclosed on ADB website between May 2017 to December 2018. A field-based environmental due diligence report (EDDR) was also prepared for 11 subprojects, of which works were completed without preparation of IEE reports. The EDDR was prepared to assess the presence of any residual environmental impacts of the subprojects. The EDDR confirmed that there were no residual environmental impacts at 11 completed subprojects, and no complaints had been received from local residents nor NGOs on the environmental aspects since the commencement until completion of works. There were limited and temporary impacts (such as increase in noise levels and dust generation), which were managed with good construction practice and implementation of ADB-cleared EMPs. An addendum to the IEE report was prepared to cover the Health and Safety Plan in response to the COVID-19 pandemic. This ADB-cleared addendum was linked with all IEE reports and disclosed on ADB website in June 2020.

28. None of the subprojects required environmental, forest clearances, and tree-cutting permissions under the regulatory framework of India. The contract documents for all subprojects included ADB-cleared EMPs. The testing of parameters for ambient air quality, and ambient noise levels were not done during the project’s initial stage. With regular follow-ups by the PMU and consultants, and coordination by ADB with the project staff, the environmental quality testing was carried out. Submission of semiannual EMRs had been irregular since commencement (July 2014) to December 2016 because of lack of (i) mobilization of environment specialists of DSC and PMC, and (ii) clarity on safeguards requirements among the project staff (executing and/or implementing agency staff, consultants, and contractors) worked under the project. Later, with ADB’s continual follow-up and handholding support, the submission of EMRs became regular from January 2017 through December 2021. A total of 10 EMRs, in place of 14 reports (from July 2014 to December 2021) capturing the EMP implementation, including public consultations during the construction and operation stages, were submitted by the executing agency and were disclosed on the ADB website. GRMs were established and had been functional at PMU and PIU levels for effective and timely redressal of issues until project closure. The executing agency did

¹⁷ Ministry of Skill Development & Entrepreneurship. Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP). <https://sankalp.msde.gov.in/#/web/web-home>.

not receive any complaints related to environmental safeguards. The loan covenants pertaining to environmental safeguards were partially complied with. The project's environmental performance was initially weak because of limited institutional arrangements; however, over the period, this improved given the increased monitoring and coordination by ADB with project staff. Overall, environmental safeguards compliance of subprojects varied from *less than adequate* to *generally adequate*. A detailed note on implementation of environmental safeguards for the project is provided in Appendix 11.

29. **Social safeguards.** At appraisal, the project was categorized “C” for involuntary resettlement and “B” for indigenous peoples as per ADB's Safeguard Policy Statement, 2009. The Indigenous Peoples Plan (IPP) was prepared and disclosed on ADB's website. The categorizations did not change because of the positive impacts envisaged on indigenous or tribal peoples during implementation until project closure.

30. None of the subprojects implemented involved any land acquisition (works were implemented within the government land and/or existing building) and caused any resettlement and/or livelihood impacts. The executing agency monitored and reported on the positive impact for indigenous peoples and community during project implementation. The executing agency also carried out meaningful consultations while upgrading government-aided private schools, improving the learning environment, improving skills development, increasing awareness and participation through periodic consultations among local communities, and maintaining a functional GRM during project implementation. No grievances related to social safeguards were reported during project implementation. Twelve skills training providers trained 14,510 tribal students, and their livelihood sustainability has been notable. Upgrading of school infrastructure and awareness building for NGOs performed well; the percentage of admission for secondary and higher secondary school substantially increased; and the objectives of IPP were achieved. Overall, implementation of social safeguards has been assessed as compliant with SPS 2009. A detailed note on implementation of social safeguards for the project is provided in Appendix 11.

K. Other Applicable Theme: Strategy 2030

31. The project focused on interventions for improving the learning environment in schools and skills development to enhance people's productivity and employability. These align well with the UN Sustainable Development Goals on inclusive and equitable education, women empowerment, promoting productive employment, and building resilient infrastructure. The project contributed not only to Strategy 2030 operational priorities on addressing poverty and reducing inequalities (operational priority 1) and accelerating progress in gender equality (operational priority 2), but also to building climate and disaster resilience (operational priority 3), as structural retrofitting of 96 schools included features against seismic events. Details on project contributions are in Appendix 9.

L. Monitoring and Reporting

32. **Compliance with major covenants.** There are 41 covenants and 38 of them have been complied with. Two covenants were partially complied with, and one covenant was not complied with. These pertain to the late submission of audited project financial statement (APFS) and audited entity financial statements (AEFS), as well as delay in addressing issues raised by ADB on those financial statements. Details are in Appendix 8.

33. **Financial management.** The risks and mitigation measures identified at appraisal were monitored during project implementation. Since MSSDS was relatively new, capacity building

support was provided to strengthen its financial management and accounting practices. A PMC consulting firm was engaged to support financial management aspects. After loan effectiveness on 7 March 2014, the first APFS should have been from loan effectiveness date of 7 March 2014 to 31 March 2014 (fiscal year end [FYE] 2014), however, no report nor deferment request for zero transactions was submitted for the period. The first report submitted by the project was for FYE2015 which showed nil amounts for the comparative period of FYE2014. The executing agency and/or implementing agency could have requested for a deferment of the APFS wherein there were zero transactions. No retroactive financing was permitted under the loan. Based on actual project closure on 18 February 2021, the final APFS applicable was FYE2021. During project implementation, eight APFS and AEFS were expected for submission to ADB starting from FYE2014 through FYE2021. Only two APFS were submitted on time and the rest were submitted with delays between 1 to 6 months. Initial delays in submission of APFS were because of more time taken in finalizing the audit arrangements. Disruptions caused by the COVID-19 pandemic also caused delays in APFS submission during the last 3 years of project implementation.

34. APFS submitted until FYE2018 did not include the required main opinion on “whether accounts are true and fair.” Based on a resubmission request from ADB for audit of FYE2019, the audit reports included the required main opinion. Despite ADB’s handholding, audit reports contained some deficiencies as relevant financial reporting frameworks were not mentioned. Although management letters were issued by the auditor in all years, there are repetitive observations of “no follow-up for corrective actionable measures” by the management. All ADB communication letters included recommendations for improvement on accounting and audit functions. However, the issues remained unaddressed. Reconciliation of disbursement between ADB records and the APFS were not carried out over the years including the final APFS for FY2021, which reflects unreconciled figure of ₹1,966 million (31% difference), because of which, APFS FY2021 cannot be accepted as final APFS. The difference in reconciliation is primarily because of non-inclusion of figures pertaining to funds received through reimbursement. The state government has been advised to submit the revised final APFS 2021 by 31 December 2022 after addressing the comments made by ADB. In AEFS except for FYE2021, all submissions were significantly delayed, ranging from 9 to 60 months. The first two AEFS audit reports submitted in FYE2015 and FYE2016 were unqualified, and all others were qualified audit reports. Matters of qualification were due to absence of corrective actions taken. All AEFS were only signed by the auditors and not by the project director and/or deputy project director. An unsigned AEFS is regarded as an unauthenticated document showing a lack of ownership by the management. The issue prevailed despite ADB’s letter of communication every year. Despite a PMC deployment to handhold the project, the overall financial management function comprising accounting and auditing remained *less than satisfactory* during project implementation.

35. **Monitoring and reporting arrangements.** Periodic review missions were fielded including visits to project sites and consultations with stakeholders. Each review mission provided an action plan for the state government which was closely followed up in PSC meetings and regular meetings of PMU and PIUs. The tripartite portfolio review meeting (TPRM) action plans also provided for close project monitoring and supervision. The PSC conducted regular reviews to assess project progress and provide guidance. The PMU and/or PIUs provided ADB with quarterly progress reports in a format consistent with ADB’s project performance reporting system. As per loan covenant, the semiannual EMR was required from project commencement to closure. Submission of semiannual EMRs had been irregular since commencement (July 2014) to December 2016 because of lack of (i) mobilization of environment specialists of DSC and PMC, and (ii) clarity on safeguards requirements among the project staff (executing and/or implementing agency staff, consultants, and contractors) under the project. Later, with ADB’s continuous follow-up and handholding support, the submission of EMRs became regular from January 2017 through

December 2021. In addition to EMRs, semiannual social monitoring reports were also submitted.¹⁸

36. **Project evaluation.** A third-party evaluation of the project was done in 2020.¹⁹ Overall, the evaluation commended the upgrading of educational infrastructure and skills training for women and youth for self-employment, which contributed to increased learning opportunities and enhanced employability.

II. EVALUATION OF PERFORMANCE

A. Relevance

37. The project is rated *relevant*. The project was aligned with the plans and strategies of ADB and the government at appraisal (paras. 6-7). The ADB CPS for India, 2018–2022 focuses on three strategic pillars, namely, boosting economic competitiveness to create more and better jobs, providing inclusive access to infrastructure networks and services, and addressing climate change and increasing climate resilience. At completion, the project's outcome on enhancing people's skills and increasing employment opportunities, aligns well with the CPS in terms of supporting India's rapid economic transformation and helping the country move from lower to upper middle-income status and achieve faster, inclusive, and sustainable economic growth.²⁰ In addition, the project is closely aligned with government priorities and flagship programs. ADB also supports the government in achieving India's pledge to pursue the Sustainable Development Goals and attain these goals under the intended nationally determined contributions (INDCs).²¹ The project also supports the national program of Make in India and Skill India with its SCF and introduction of new trades in ITIs. The upgrading of SHS government-aided schools forms part of the long-term plan to reduce poverty and ensure inclusive economic growth.

38. The project design was appropriate for achieving the intended outcomes. The DMF indicators and targets at various levels were logical, clear, and measurable. The project loan modality was appropriate as the project scope was straightforward, and well-defined works and services were supported to achieve the target outputs and outcome. This is the first ADB project in India to focus on SHS education and skills development reforms, characterized by innovative and transformational features. The project sought to address gender equality and social inclusion issues in Meghalaya's TVET sector identified at entry through relevant DMF and GAP performance indicators. All these initiatives are in line with ADB's education sector objective of achieving the "goal of quality education for all".²² At appraisal, weak capacity of the executing agency, geographically difficult terrain, and other challenges were identified as risks to the project. To mitigate these, support was provided through an attached TA for capacity development which was also instrumental in putting the project back on track. The project did not duplicate the work of other development partners.

39. The project has five innovative features: (i) retrofitting school and vocational education infrastructure against seismic events; (ii) aspirational infrastructure for schools with focus on the needs of girl students; (iii) introduction of new trades in ITIs with focus on meeting job market

¹⁸ ADB. India: Supporting Human Capital Development in Meghalaya. <https://www.adb.org/projects/46166-001/main>.

¹⁹ Third-party evaluation was conducted by S. Venkatraman in February 2020.

²⁰ ADB. 2017. *Country Partnership Strategy, India, 2018–2022: Accelerating Inclusive Economic Transformation*. Manila.

²¹ ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

²² ADB. Education. <https://www.adb.org/what-we-do/sectors/education/main>.

needs; (iv) vocational/skills training including traditional crafts/native trades with self-employment potential particularly for women; and (v) ICT-enabled teaching–learning pilot projects. Another important innovation of the project is the operationalization of the SCF wherein engaging private sector training providers has contributed significantly to mainstreaming skills development activities in the state. SCF has an enormous potential for obtaining funds from other agencies for undertaking future skills development activities.

40. The project scope and the DMF were adjusted during implementation because of the changes in government policy and the emerging needs and challenges during project implementation. Likewise, the gender-related DMF indicators and the GAP targets were revised based on mutual due diligence between the executing agency and ADB strengthened the overall relevance of the project without impacting the project outcome and outputs (Appendix 7, section D, para. 5).

B. Effectiveness

41. The project is rated *effective*. The two outcome targets were exceeded. Dropout rate per annum decreased by 7% for boys and girls at SHS level against a target of 5%. A total of 71% of skilled trainees under the project were employed within 1 year compared to the targeted 60%. For outputs, 9 out of 11 targets were achieved or substantially achieved, and 2 were partially achieved (paras. 10 to 14, Appendixes 1 and 7). Digital classrooms supported self-paced learning among students. Teacher training resulted in the use of modern teaching aids and systematic student assessments, among others. The project activities directly served vulnerable and tribal groups, with higher participation by women and girls. Among indigenous peoples, there were 14,510 tribal students trained by 12 skills training providers in health care, hospitality, and football coaching, among others. The project met the targeted gender equality results wherein all 3 GAP activities were completed, and all 11 gender targets were substantially or fully achieved, resulting in practical (short- and medium-term) and strategic gender benefits (Appendix 7). The GAP implementation was assessed as successful. Overall, safeguards implementation was satisfactory. Various safeguard loan covenants were complied with. Corrective actions to improve adherence to environment safeguard requirements were conducted during implementation.

C. Efficiency

42. The project involves a skills development program to enhance the employability of the youth of Meghalaya. Coupled with vocational training programs for wage and self-employment, the objective was to increase per capita incomes. The economic internal rate of return (EIRR) at completion is higher at 23.8% compared to the EIRR of 18.6% at appraisal, mainly because of reduced investment cost based on lower actual disbursements, and on updated benefits assumptions that include a higher net gain in income at 17% for graduate certificate holders compared to appraisal assumption at 5%, and a higher average pass rate at 72.4% compared to 67.6% at appraisal resulting in bigger average cost savings per student. Likewise, the application of shadow wage rate factor (SWRF) at 0.79 contributed to higher unskilled labor wage values compared to wage values used at appraisal where SWRF was not considered at wages valuation. The economic analysis is presented in Appendix 10.

43. The project was extended by 18 months (para. 17) because of start-up delays. Proactive measures undertaken by the state government (para. 18) and capacity development support provided under JFPR TA (para. 19) led to a significant turn around and the project was completed with a time overrun of 30%. Given the efficiency of process and the high EIRR, the project is assessed as *efficient*.

D. Sustainability

44. The state government of Meghalaya is upgrading 208 schools with state funds and sanctioned another 500 schools to be taken up in 2021/22, with allocation of ₹150 crore. The state is leveraging on the programs of the Government of India, under which 40 Eklavya model residential schools have been sanctioned in the state costing ₹960 crore. For 2022/23, another 111 schools will be constructed with an estimated cost of ₹100 crore.²³ These investments are expected to sustain the education activities in the state. The state government has been incurring expenditure from its own funds for operation and maintenance and provision of access roads, and has been meeting recurring costs through budget provisions every financial year (Appendix 10, Table A10.3). Expenditure, such as for maintenance and repairs, is allocated in the state budget under heads of account. The mechanism applies for the project budget as well. The various institutions under the education and labor departments and MSSDS possess the required capacity to operationalize the project, as seen in continued implementation of several schemes of the Government of India and the World Bank. All these departments have dedicated units for operation and maintenance and project management. The state has the capacity and systems to technically, environmentally, and socially sustain the outputs and outcomes of the project. Based on the above assessment, the project is assessed as *likely sustainable*.

E. Development Impact

45. The project's development impact is rated as *satisfactory*. Its impact on the youth's employability is reflected by the reduction in the unemployment rate in the state from 11% in 2009/2010 to 2.7% in 2019/2020 as against the target of reducing it to 8% by 2022/2023. The project has successfully linked skills training to market demand patterns. Innovations relating to the construction of aspirational infrastructure in schools and retrofitting for safety have increased enrolment rates, particularly for girl students. Increase of enrolment is likely to continue and the trained youth are likely to compete for employment both at the regional and national levels. The project's development impact has been enhanced with equal participation and inclusivity of women and girls in TVET, SHS education, and stakeholders' capacity improvement on gender equality issues. The project's social mobilization has contributed to raising awareness of the opportunities available outside the state and supporting migration for employment among the youth. New jobs, such as tourist guide and beautician, have widened the scope for employment opportunities. The vocational training programs provided, such as those on integrated farming and traditional crafts, have attracted a greater number of women to take up such training, empowering them for self-employment. The positive impacts on the indigenous peoples are reflected in the trained tribal students and notable improvement in their livelihood sustainability. Overall, the project has also contributed to ADB Strategy 2030 operational priorities, particularly on poverty reduction and accelerating progress in gender equality (Appendix 9).

F. Performance of the Borrower and the Executing Agency

46. Though this is a first-of-its-kind multilateral agency supported project for Meghalaya in the areas of education, skills development, and technical and vocational education, the state's ownership throughout the project cycle has been remarkable. The project was implemented within 6.5 years (30% time overrun) despite serious start-up delays, which can be considered as a good performance record when compared with other Northeast projects in the India portfolio. The project was designed well with skills strategy suited to Meghalaya's context with a mix of native,

²³ Government of Meghalaya, Finance Department. *Budget Speech 2022/23*.
https://meghalaya.gov.in/sites/default/files/documents/Budget_Speech_2022-23_Meghalaya.pdf.

agriculture, service, and manufacturing sectors. The executing agency took measures to expedite project implementation and overcome the initial start-up delay (para. 18). The PSC, headed by the chief secretary, provided significant advisory support throughout project implementation. The project director remained unchanged during the implementation period. The Department of Economic Affairs, which is the principal borrower, monitored the project closely through TPRMs and provided significant support for project implementation. The COVID-19 pandemic was an external and unanticipated challenge to the project. MSSDS implemented measures to mitigate its effects to skills development and employment (para. 26). However, the executing agency's performance has been rated *less than satisfactory* for financial management (para. 34). Recommendations have been made in para. 51 to overcome the shortcomings in financial management in the next phase of the project. The capacity constraints to project implementation have been addressed through focused capacity development efforts under the JFPR TA. The overall performance rating of the borrower and executing agency is assessed as *satisfactory*.

G. Performance of the Asian Development Bank

47. ADB provided support, through India Resident Mission, to the executing agency during project design and implementation in rationalizing consulting firms' contracts and capacity development support under the JFPR grant and India Resident Mission's Capacity Development Resource Center, among others. ADB also provided strategic support to the executing agency in (i) conceptualizing the Meghalaya school improvement plan, which is being implemented through state funds, to improve learning outcomes in Meghalaya and project schools; and (ii) pilot testing the bamboo cluster initiative as a proof of concept for native trades; among others. Periodic review missions were conducted with adequate participation of experts in environmental and social safeguards and gender, among others. Actions plans were prepared to address implementation delays. The performance of ADB is rated *satisfactory*.

H. Overall Assessment

48. The project is rated *successful* because of its alignment with the priorities of the Government of India, as well as the innovations made, high level of ownership by the state government, and the achievement of performance indicators.

Overall Ratings	
Criteria	Rating
Relevance	Relevant
Effectiveness	Effective
Efficiency	Efficient
Sustainability	Likely sustainable
Overall Assessment	Successful
Development impact	Satisfactory
Borrower and executing agency	Satisfactory
Performance of ADB	Satisfactory

III. ISSUES, LESSONS, AND RECOMMENDATIONS

A. Issues and Lessons

49. The project has yielded some important lessons for future consideration as follows: (i) a longer project implementation period is necessary considering the geographically challenging state terrain; (ii) upfront capacity development support before sanctioning project finance will help expedite project implementation; (iii) while government-aided private schools were included,

government schools that required enhancement support the most were completely exempted from the project scope. Government schools may be included in any future projects; (iv) an effective data or document management system for the project is critical to ensure data availability and consistency even after the project has been completed; (v) a more in-depth assessment of the executing agency's capacity during appraisal could have avoided delays and revisions in scope. In this case, MSSDS was a new entity, with little prior experience of undertaking large-scale skills development activities; and (vi) to improve the project's environmental performance, the design should ensure (a) early mobilization of environment specialists and consultants; and (b) clarity on safeguards requirements among the project staff (government agencies, consultants, and contractors) from commencement to closure.

B. Recommendations

50. The following may be considered in **designing future projects**: (i) teacher training component should cover teachers from lower grades; (ii) native trades (bamboo, pottery, handloom, and weaving) should be mainstreamed into skills projects since they have good self-employment potential; (iii) an assessment of learning loss from the COVID-19 pandemic should be undertaken; (iv) local SMCs and communities can be encouraged to contribute in providing adequate spaces to schools; and (v) hostel facilities should be provided for rural students who wish to study, especially in the higher grades, to avoid exploitation in lodging when they go to schools in the nearby towns or urban centers.

51. **Financial Management.** In view of the less than satisfactory performance in financial management, this report recommends (i) training the executing agency on loan financial information system (LFIS) so that staff understand the importance of regular LFIS reconciliation as early as project processing; (ii) copying the auditor in all communications if the issue relates to the auditor's reporting; (iii) reviewing the terms of references for new audit engagements; (v) incorporating APFS reporting issues in every review mission agenda; and (vi) withholding acceptance of reports until major issues have been resolved.

52. **Procurement.** Based on the number of unsuccessful bids and subsequent dropping of procurement packages, a market analysis together with rigorous strategic procurement planning needs to be performed up front during project appraisal to ensure that procurement packages number, methods and sizes are suitable for local conditions and contractors' capacity. In addition, the executing agency should carry out advance procurement to ensure that the project is procurement ready with at least one third of the loan amount ready to be signed at loan effectivity. The advance procurement will contribute toward reducing the project implementation period as well as commitment charges.

53. **Further action.** ICT learning pilot programs were established in schools. However, its progress and potential for replication could not be studied due to the COVID-19 pandemic.

54. **Timing of the project performance evaluation report.** The report can be prepared a year after the circulation of the PCR to the Board.

DESIGN AND MONITORING FRAMEWORK

Results Chain	Original Performance Indicators with Targets and Baselines	Revised Performance Indicators	Achievements
Impact Enhanced employability of Meghalaya's youth	Target year: Fiscal year (FY) 2022/2023 (i) Decline in the unemployment rate of Meghalaya to 8% from 11% in 2009–2010 (as per the National Sample Survey, 66th round) (ii) Average pass rate at the secondary level in government aided private schools to increase by 5% from the 2010/2011 pass rate of 67.1% in class 10 and 69.5% in class 12	Target year: Fiscal year (FY) 2022/2023 (i) No change. (ii) No change.	(i) Achieved. The unemployment rate of Meghalaya during 2019/2020 was 2.7%. (ii) Achieved. The project has achieved an increase of average pass rate by 6% at class 10 and 12% in class 12. Source: MBOSE.
Outcome Improved quality, delivery, and access to SHS education and technical and vocational skills training in Meghalaya	(Baseline: FY 2011/2012; Target year: FY 2017/2018) a. 5% reduction in dropout rate per annum for both girls and boys at SHS levels in 117 government aided private schools covered under the project (baseline – 11% average drop-out at the SHS level) b. 60% of skilled male and female trainees for wage employment find jobs within 1 year	(Baseline: FY 2011/2012; Target year: FY 2017/2018) a. No change. b. No change.	a. Exceeded. Dropout over the 2012–2020 period for both girls and boys at SHS level in 117 project schools is reduced by 7% (CAGR). b. Exceeded. 10,371 of the 14,610 trainees (70.99%) were employed within 1 year Sources: PIU1, GOM.
Outputs 1. Improved teaching and learning in Government aided SHS schools	(Baseline: FY 2011/2012; Target year: FY 2017/2018) a. 117 SHS government-aided schools upgraded to meet the infrastructure, training, and gender and social equity standards of RMSA	1a. No change.	1a. Achieved. 117 SHS upgraded to meet the infrastructure, training, and gender and social equity standards of RMSA, i.e. RMSA Guidelines for innovations September 2011. The school upgrading

	<p>b. Enrollment capacity increased by 3,200 students in grades 11 and 12 in 40 schools</p> <p>c. Six state-run TTCs upgraded to national standards to increase capacity to train primary and SHS school teachers¹</p> <p>d. In-service training of 3,500 SHS teachers covering all 591 government-aided private schools (50% women)</p>	<p>1b. Enrolment capacity increased by 1,980 students in grades 11 and 12 in 33 schools of which 50% will be girl students.</p> <p>1c. No change.</p> <p>1d. In-service training of 3,500 SHS teachers covering all 591 government-aided private schools (45% women)</p>	<p>was guided by (i) stakeholders' collaboration to encourage knowledge sharing on good practices in promoting secondary education; (ii) guidance and counseling for girls and adolescent children in schools, community, and stakeholders, and the orientation of teachers; (iii) affirmative actions and infrastructure design for safety and security of girl students. Sources: PIU 4 and PIU 1, GOM.</p> <p>1b. Substantially Achieved. 26 schools have been upgraded to grades 11 and 12, and 7 schools are in the process of upgrading to grades 11 and 12. Enrolment capacity increased by 1,589 students in 26 schools (626 or 39.40% boys, and 963 or 60.60% girls). In 2022, the enrolment is anticipated to increase and achieve the targeted number in the remaining 7 schools. Sources: PIU 1, GOM and UDISE, GOI.</p> <p>1c. Achieved. 2 TTCs and 4 DIETs have been upgraded to national standards to increase capacity to train primary and SHS school teachers. Sources: PIU 4, GOM.</p> <p>1d. Achieved. 3,717 teachers (51% women) have been trained from 572 government aided Schools. In addition, 700 government schoolteachers were trained from 119 government schools (55% women).</p>
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¹ District Institute of Education and Training (DIET) is considered as Teacher Training Center (TTC).

2. Increased capacity and responsiveness of technical and vocational education and training	<p>e. ICT-enabled teaching and learning pilot tested in 117 schools</p> <p>(Baseline: FY 2011/2012. Target year: FY 2017/2018)</p>	1e. No change.	<p>Sources: TTP firm and PIU 1, GOM.</p> <p>1e. Achieved. Two digital classrooms established in 117 schools. All 117 schools are fully operationalizing/utilizing the digital classrooms. All SHS teachers from the project schools have been trained both in the TTP training program and by ICT supplier firm on the use of ICT in teaching.</p> <p>Source: PIU 1, GOM.</p>
	<p>a. SCF operational</p> <p>b. Training of 12,000 youth per annum or 60,000 over project period (40% women trainees and 95% tribal trainees) conducted</p> <p>c. Training equipment and curriculum in selected Meghalaya's public and private nonprofit training organizations upgraded</p>	<p>2a. No change.</p> <p>2b. Training of 5,000 youth per annum or 25,000 over project period (40% women trainees and 95% tribal trainees) conducted</p> <p>2c. No change.</p>	<p>2a. Achieved. SCF operationalized.</p> <p>2b. Partially Achieved. 14,610 trained of which 9,065 (or 62%) were women trainees and 14,510 (or 99.32%) were tribal trainees.</p> <p>Sources: MSSDS, GOM.</p> <p>2c. Achieved. The project has upgraded training equipment and curriculum in Industrial Training Institutes of Meghalaya.</p> <p>Sources: PIU 3, GOM.</p>
3. Increased awareness and participation	a. At least 20,000 participants (50% women) in awareness building and mobilization campaigns that address social, economic, and gender barriers to completing secondary education and accessing TVET programs.	3a. No change.	<p>3a. Achieved. 8,332 campaigns for SMC, women group, youth, parents, government officials, etc. conducted as of 31 Dec 2019. There were 182,169 participants in total, of which 86,746 (48%) were women.</p>

4. Improved project Management and monitoring and evaluation	a. Project implemented on time and within budget	4a. No change.	<p>Source: SGPCR, 2022.</p> <p>4a. Partially Achieved. As against the originally targeted implementation period of 5 years, the project was completed in 6 years 6 months (30% time over run) despite serious start up delays, first time executing agency, first human development project for India in weak capacity and geographically challenging State. As against the original project outlay of \$100 million, the project was completed with minor change in scope with a revised project outlay of \$82.84 million (16.75% lesser funds).</p> <p>Source: SGPCR, 2022.</p>
	b. Monitoring and evaluation system, with gender targets for education and skills development, in place by mid-2015	4b. No change.	<p>4b. Achieved. The M&E system had gender targets for skills development, awareness building, teachers' training programs, and life/work skills education workshops, which were met at project completion. The achievements against these targets were included in the project periodic progress and completion reports.</p> <p>Source: SGPCR, 2022.</p>

AAGR = average annual growth rate, CAGR = compound annual growth rate, DEA = Department of Economic Affairs, DIET = District Institute of Education Training, DOE = Department of Education, DPCU = district project coordination unit, GOM = Government of Meghalaya, ICT = information and communication technology, ITI = industrial training institute, MSSDS = Meghalaya State Skill Development Society, MBOSE = Meghalaya Board of School education, MSOP = managed services operating partner, PIU = project implementation unit, RMSA = Rashtriya Madhyamik Shiksha Abhiyan (National Secondary Education Program), SCF = Skills Challenge Fund, SHCD = supporting human capital development, SGPCR = State Government Project Completion Report, SMC = school management committee, SHS = secondary and higher secondary, TTC = teacher training centers, TTP = teacher training provider, TVET = technical and vocational education and training.

Source: Asian Development Bank.

PROJECT COST AT APPROVAL AND ACTUAL
(\$'000)

Component	Estimate at Approval			Actual		
	Foreign Exchange	Local Currency	Total Cost	Foreign Exchange	Local Currency	Total Cost
A. Base Cost						
Improved Teaching and Learning in Government-aided SHS schools	41.20	0.00	41.20	55.60	0.00	55.60
Increased Capacity and Responsiveness of TVET	34.60	0.00	34.60	20.70	0.00	20.70
Increased Awareness and Participation	1.80	0.00	1.80	1.30	0.00	1.30
Enhanced Project Management and M&E	18.30	0.00	18.30	9.20	0.00	9.20
Subtotal (A)	95.90	0.00	95.90	86.90	0.00	86.90
B. Contingencies	21.30	0.00	21.30	1.30	0.00	1.30
C. Financing Charges During Implementation	7.80	0.00	7.80	1.20	0.00	1.20
Total (A+B+C)	125.00	0.00	125.00	89.40	0.00	89.40

M&E = monitoring and evaluation; SHS = secondary and higher secondary; TVET = technical and vocational education.
Source: Asian Development Bank estimates.

PROJECT COST BY FINANCIER
Table A3.1: Project Cost at Approval by Financier

Item	ADB		GOM		Total Cost	
	Amount (\$ million) {A}	% of Total Cost {A/D}	Amount (\$ million) {B}	% of Total Cost {B/D}	Amount (\$ million) {D}	Taxes and Duties {E}
A. Investment Costs						
1. Civil Works	27.50	22.00	0.00	0.00	27.50	0.00
2. Equipment	18.30	14.64	0.00	0.00	18.30	0.00
3. Maintenance of School Building	1.10	0.88	0.00	0.00	1.10	0.00
4. Skills Training and Teacher Training	23.80	19.04	0.00	0.00	23.80	0.00
5. Consultants	11.00	8.80			11.00	0.00
Subtotal (A)	81.90	65.52	0.00	0.00	81.90	0.00
B. Recurrent Costs						
1. Counterpart Staff Salary	0.00	0.00	2.00	1.60	2.00	0.00
2. Operational Cost	0.00	0.00	2.90	2.32	2.90	0.00
3. Incremental Recurrent Cost	0.00	0.00	4.20	3.36	4.20	0.00
4. GOM contribution to Skills Challenge Fund			3.90	3.12	3.90	0.00
5. GOM Contribution to School Maintenance Fund			1.00	0.80	1.00	0.00
Subtotal (B)	0.00	0.00	14.00	11.20	14.00	0.00
Total Base Cost (A+B)	81.90	0.00	14.00	0.00	95.90	0.00
C. Contingencies	18.10	14.48	3.20	2.56	21.30	0.00
D. Financial Charges During Implementation	0.00	0.00	7.80	6.24	7.80	0.00
Total Project Cost (A+B+C+D)	100.00	0.00	25.00	0.00	125.00	0.00
% Total Project Cost		0.00			100.00	

ADB = Asian Development Bank, GOM = Government of Meghalaya.

Source: Asian Development Bank.

Table A3.2. Project Cost at Completion by Financier

Item	ADB		GOM		Total Cost	
	Amount (\$ million) {A}	% of Total Cost {A/D}	Amount (\$ million) {B}	% of Total Cost {B/D}	Amount (\$ million) {D}	Taxes and Duties {E}
A. Investment Costs						
1. Civil Works	45.60	51.00	0.00	0.00	45.60	0.00
2. Equipment	19.77	22.11	0.00	0.00	19.77	0.00
3. Maintenance of School Building	0.00	0.00	0.00	0.00	0.00	0.00
4. Skills Training and Teacher Training	10.48	11.72	0.00	0.00	10.48	0.00
5. Consultants	7.38	8.25			7.38	0.00
6. Less Refund under consultancy component	(0.40)				(0.40)	0.00
Subtotal (A)	82.84	0.00	0.00	0.00	82.84	0.00
B. Recurrent Costs						
1. Counterpart Staff Salary	0.00	0.00	1.95	2.18	1.95	0.00
2. Operational Cost	0.00	0.00	0.60	0.67	0.60	0.00
3. Incremental Recurrent Cost	0.00	0.00	0.65	0.72	0.64	0.00
4. GOM contribution to Skills	0.00	0.00	0.86	0.96	0.86	0.00
5. GOM Contribution to School Maintenance Fund	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal (B)	0.00	0.00	0.00	0.00	0.00	0.00
Total Base Cost (A+B)	0.00	0.00	0.00	0.00	0.00	0.00
C. Contingencies	0.00	0.00	1.30	1.45	1.30	0.00
D. Financial Charges During Implementation	0.00	0.00	1.20	1.34	1.20	0.00
Total Project Cost (A+B+C+D)	82.84	92.66	6.56	7.33	89.40	0.00
% Total Project Cost		0.00		100.00	100.00	

ADB = Asian Development Bank, GOM = Government of Meghalaya.

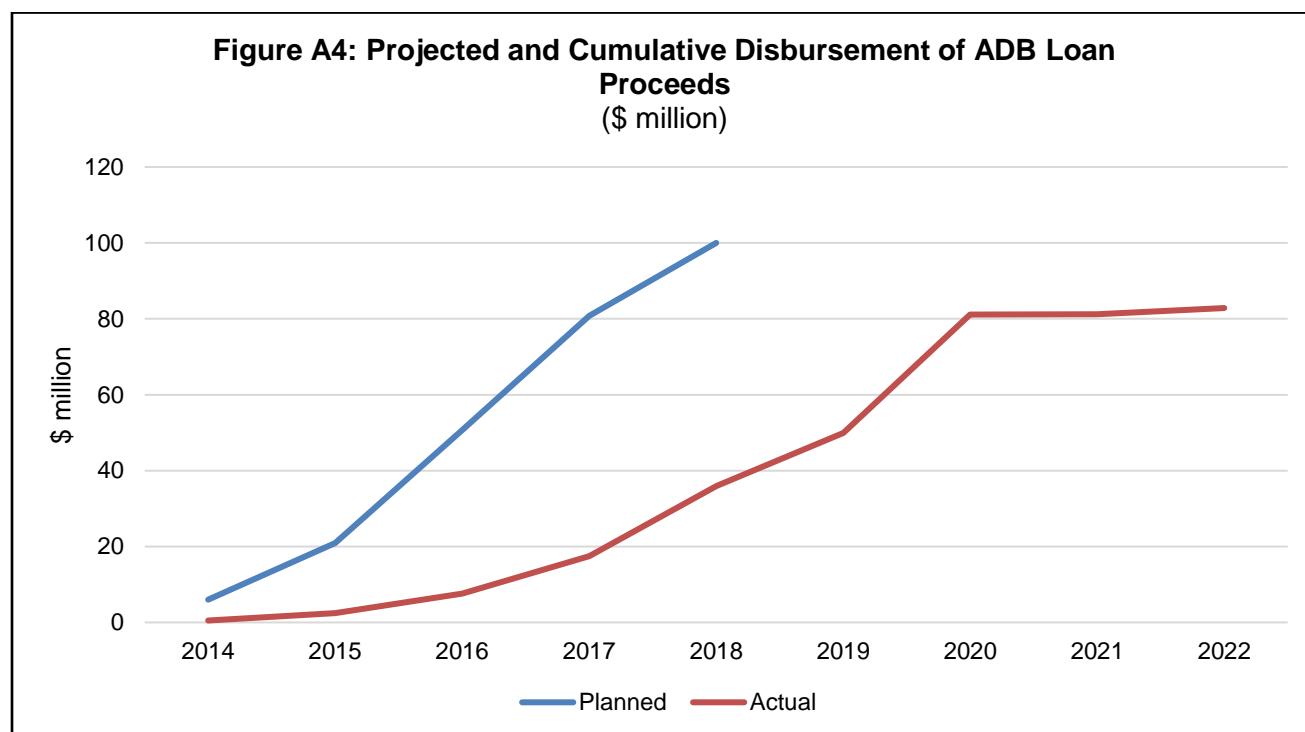
Source: Asian Development Bank.

DISBURSEMENT OF ADB LOAN AND GRANT PROCEEDS

Table A4: Annual and Cumulative Disbursement of ADB Loan Proceeds

Year	Annual Disbursement		Cumulative Disbursement	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
2014	0.50	0.61	0.50	0.61
2015	1.98	2.39	2.49	3.00
2016	5.08	6.13	7.56	9.13
2017	9.91	11.96	17.47	21.09
2018	18.42	22.24	35.89	43.33
2019	14.03	16.93	49.92	60.26
2020	31.20	37.66	81.12	97.93
2021	2.12	2.56	83.25	100.49
2022	-0.40	-0.49	82.84	100.00
Total	82.84	100.00	82.84	100.00

ADB = Asian Development Bank.
Source: Asian Development Bank.



Source: Asian Development Bank.

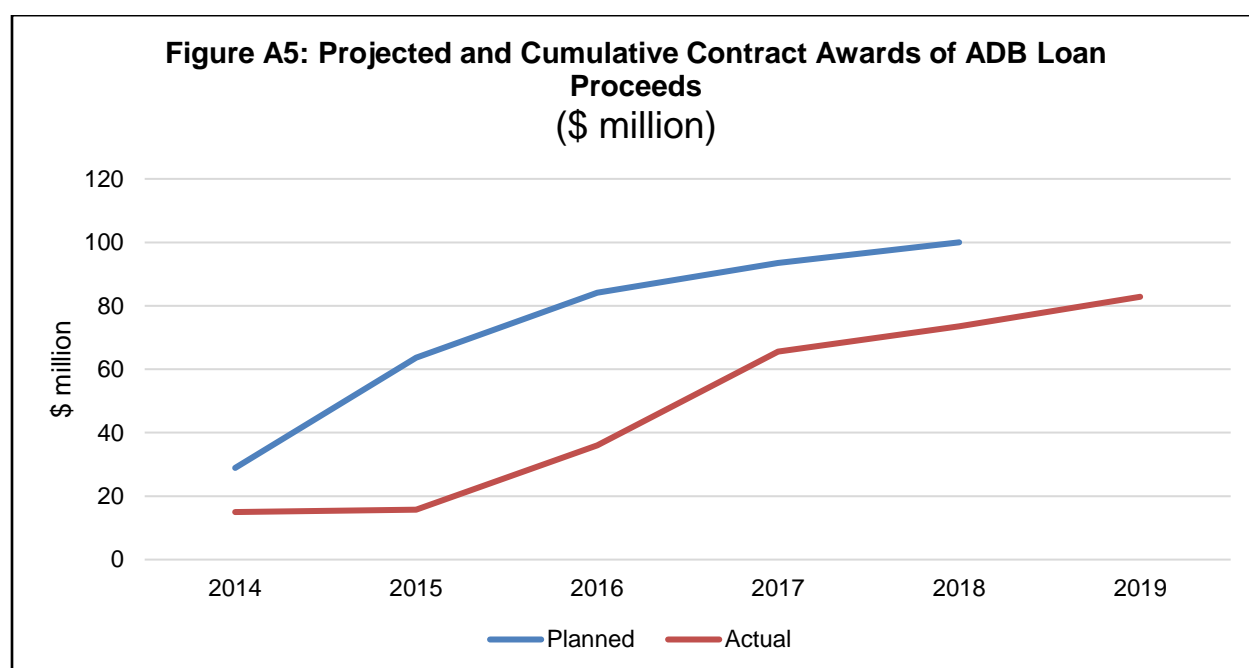
CONTRACT AWARDS OF ADB LOAN AND GRANT PROCEEDS

Table A5: Annual and Cumulative Contract Awards of ADB Loan Proceeds

Year	Annual Contract Awards		Cumulative Contract Awards	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
2014	14.99	18.10	14.99	18.10
2015	0.76	0.92	15.76	19.02
2016	20.22	24.41	35.98	43.43
2017	29.61	35.74	65.58	79.16
2018	7.99	9.64	73.57	88.81
2019	9.27	11.19	82.84	100.00
Total	82.84	100.00	82.84	100.00

ADB = Asian Development Bank.

Source: Asian Development Bank.



Source: Asian Development Bank.

CHRONOLOGY OF MAIN EVENTS

Date	Event
30 May 2012	Approval of concept clearance
19 November 2012	Fact-finding mission
23 August 2013	Loan negotiations
27 September 2013	Board approval
23 January 2014	Loan agreement
7 March 2014	Loan effectiveness
30 September 2020	Project completion date
16 March 2022	Financial closing date

Source: Asian Development Bank.

GENDER ACTION PLAN

Implementation of Gender Action Plan and Achievements

A. Introduction

1. The envisaged impact of Supporting Human Capital Development in Meghalaya (the project hereafter) was enhanced employability of Meghalaya's youth. The project's outcome was improved quality, delivery, and access to secondary and higher secondary (SHS) education and technical and vocational skills training in Meghalaya. To achieve these desired outcome and impact, the project's targeted outputs are (i) improved teaching and learning in government-aided secondary and higher secondary schools; (ii) increased capacity and responsiveness of technical and vocational education and training; (iii) increased awareness and participation among youth (equal women) on social, economic, and gender barriers to completing secondary education and accessing technical and vocational education and training (TVET) programs; and (iv) improved project management, and monitoring and evaluation.

2. The project was categorized *effective gender mainstreaming* and had a gender action plan (GAP) with the primary thrust to increase the access to quality education, skills development, and employment opportunities of girls and boys who dropped out from school and women and men from low-income and vulnerable tribal groups. Women's and girls' issues in the education and skills sector in Meghalaya were considered in the project design, premised on an analysis of secondary data and the results of the consultations with stakeholders during the processing mission.

B. Gender Issues

3. The gender analysis during the project appraisal in 2013 highlighted that Meghalaya ranked 23rd out of 35 states and union territories in Gender Development Index and 34th in Gender Equality Measure Index.¹ While Meghalaya's gender ratio (986 females per 1,000 males) was better than the national average (940), its fertility rate (4.1) was far higher than the nationwide average (2.1). In FY2007–2009, Meghalaya's maternal mortality ratio was 238 per 100,000 live births versus the national average of 212. The adult literacy was 69.5 for women and 72.7 for men in 2005–2006. A survey of 390 households conducted for the project revealed that 27% of the households earned ₹6,000 (\$115) or less per month. The average household size was 5.1 people. Women headed a high proportion of households (22.1%). While the youth of both sexes often cite poverty as the reason for dropping out of school, girls were reported to have the added disadvantage of domestic responsibilities. Most students in the sampled population were first-generation learners and did not have role models in education. The youth (23% for girls and 19.5% for boys) cited the irrelevance of secondary education as the second-most cited reason for dropping out. Only 10% of the consulted household members had received formal skills training. Among the interviewed youth aged 18–35, only 6% received skills training. Besides, Meghalaya's female labor force participation rate in 2013 was 33.2%, well below the male rate of 52.9% (footnote 1).

C. Project Gender Features

4. The project's gender strategy focused on increasing the access to quality education, skills development, and employment opportunities of girls and boys who dropped out from school and

¹ ADB.2013. *Summary Poverty Reduction and Social Strategy- RRP IND 46166*. Manila.

women and men from low-income and vulnerable groups. It aimed to provide women, particularly from low-income households, with a menu of skills development opportunities in traditional and nontraditional livelihood sectors and clusters. An accompanying Japan fund for prosperous and resilient Asia and Pacific (JFPR) grant to implement gender-focused activities was an additional aid in achieving the social and development components of the project.

The following were the key features of the project's GAP:

- Upgradation and/or installation of girl-friendly facilities, such as separate well-maintained modern toilets and activity rooms in target SHS schools
- Establishment of classes 11 and 12 in 40 schools for girls
- Development and implementation of training programs for male and female teachers, students, and school management committee members, following Rashtriya Madhyamik Shiksha Abhiyan (RMSA)-National Secondary Education Program standards
- Improvement in the effectiveness of technical and vocational education and training to address the skills needs of the youth
- Awareness building on equal educational and skills development opportunities for women and men
- Skills-gap analysis to identify appropriate trades for women in sectors/subsectors where jobs are available within and outside Meghalaya

Enabling Measures

- Capacity development of relevant government departments on gender equality issues in education and skills development
- Progress monitoring and evaluation of gender-focused activities in education/skills development, using sex-disaggregated data

D. Summary of Change in Project Scope Impacting GAP Indicators and Targets

5. During the project's midterm review in December 2018, the following amendments in the GAP were undertaken (numbering of indicators in this list is based on the original GAP): (i) output 1, indicator 2: number of students to be enrolled reduced from 3,200 to 1,980 in 33 schools from 40 schools; (ii) output 1, indicator 4: target number (90) of training workshops on quality education and teaching/learning methods removed without revising the target of total number of participants (3,500 teachers), and the target quota for female teachers reduced to 45% from 50%; (iii) output 1 indicator 5: 40 training workshops on gender equality and social inclusion (GESI)-sensitive life/work skills module development and teaching methods conducted for 500 teachers removed; (iv) output 1: training of at least 500 underqualified secondary school and higher secondary teachers, including at least 33% women, at the 6 rehabilitated teacher training centres rehabilitated added; (v) output 2 indicator 1: number of youth participants of skills development programs reduced to 25,000 from 60,000 and target female participants reduced to 40% from 50% to align with the DMF target; and (vi) output 4 activity 1: skills-gap analysis changed to skills plan. Accordingly, a minor change in the project scope was approved in March 2020.

6. The above changes, which did not affect the project's gender categorization, were based on the thorough due diligence done by the Department of Education during project implementation to align the project with the existing norms of the Government of India and adjust other gender targets in answer to challenges encountered:

- As per existing norms for upgrading to higher secondary schools (HSSs), the distance between the two HSSs is 5 km. Based on this norm and GIS mapping, 33

project schools (instead of 40 schools, which was the original target) were deemed more appropriate;

- The originally envisaged enrolment capacity of 40 students per class, would result in high teacher-student ratio, which is outside the Government of India (GOI) norm. To align with the existing GOI ratio of 1 teacher for every 30 HS students, the target enrolment was reduced from 3,200 to 1,980 students;
- In the in-service training on quality education and teaching/learning methods, the reduction of the target participants for female teachers from 50% to 45% was based on EA's projection at mid-term review (MTR) that only 45% of the female teachers could be realistically trained given the addition of the training of at least 500 under-qualified secondary and higher secondary teachers with a gender target of (at least 33% women, in accordance with the Loan Agreement Schedule 5 para. 7;
- Gender equality and social inclusion topics had been incorporated in the module training on GESI-sensitive quality education and teaching/learning methods for 3,500 teachers. Hence, the separate 40 training workshops on GESI were no longer necessary. The EA thus moved for the deletion of 40 training workshops from the GAP and the reduction of the same training programs for Master Trainer (MTs) to three from five;
- Output 1 indicator 4 had a target for 90 training programs for 3,500 teachers. As of the MTR, 3,042 teachers from across 506 government-aided schools had been trained. The remainder 458 teachers could be trained in 20 programs. Hence it was agreed to remove the target number of training programs without impacting the target number of participants;
- Challenges were encountered in training 12,000 youth per year or 60,000 (40% women trainees and 95% tribal trainees) under the skill challenge fund (SCF) because the contracted Institute of Applied Manpower Research (IAMR) initially mobilized withdrew. The inability of IAMR to propose suitable replacements, resulted in a delay of about 15 months. The project management consultants (PMC) took over and conducted research for the gap analysis and identifying trades. Based on the findings, they prepared a skill plan with 26 skills training packages to operationalize the SCF. However, contracts could be awarded for 13 packages only because of non-responsive bids and failure of contract negotiations. Hence, GOM had to cancel \$8.52 million from SCF from a total allocation of \$20.00 million, which led to the reduction of the target from 60,000 to 25,000 youth trained under SCF.

E. Implementation, Monitoring, Reporting Arrangements

7. The project implementation arrangements as agreed upon by ADB, and the executing agency assigned Social Development (Gender) consultants and an NGO to provide direct support to the executing agency in implementing gender equality and social development activities. The overall institutional arrangements for the GAP implementation were assessed as adequate, and the GAP implementation, monitoring, and reporting were assessed as satisfactory².

² ADB.2013. Project Administration Manual for Supporting Human Capital Development in Meghalaya (RRP IND 46166)-Sections VIII, para. 50. Manila.

F. Gender Action Plan Achievements

8. As shown in Table A7.1, the project met the targeted gender equality results with 100% of the GAP activities (3 out of 3) completed and all 11 targets were substantially or fully achieved (100%). Hence, the project's gender results were assessed as *successful*. The practical and strategic gender benefits of GAP implementation are summarized below:

Practical Gender Benefits

- **Girl-friendly facilities in target SHS schools.** The project built or upgraded separate toilets for girl-students in 117 schools. The lack of a basic standard of hygiene and sanitation for both students and women staff has been a deterrent for girls from attending secondary schools. It has been a concern for higher dropout rates among girls in Meghalaya, predominantly rural areas. There was no safe option for girls to change and dispose of their sanitary pads on the premises, which prevented them from attending school during their menstruation period. Privacy also used to be a big concern for girls. Safe and hygienic toilets are considered the most significant practical intervention by the project towards encouraging women's enrollment in secondary education OP2.2.
- **Increased capacity of the classroom to augment students' enrollment.** The development of new classrooms increased higher secondary enrollment capacity to 1,589 students (60.60 % girls) at project completion.
- **Capacity-building opportunities for male and female teachers, students, and school management committee members.** The project trained 108 stakeholders (55% women) on GESI-sensitive quality education and active learning methods, which were unique thematic interventions for the participants.
- **In-service training of SHS teachers and underqualified teachers.** One of the significant practical achievements of the project was women's equal and active participation in the training of 3,717 SHS teachers (51% women) and 700 (55% women) underqualified teachers. The activity instilled meaningful insights on context-specific causal factors preventing women and girls from educational and skill acquisition opportunities.
- **Sensitization of school management committees (SMCs) about promoting girls' education, lowering dropout rates, and improving learning outcomes.** The project sensitized 117 SMCs in 117 schools on gender issues and motivated them to enter into standard agreements with the Government of Meghalaya to include GESI-sensitive provisions.
- **Gender equality in human capital development through skills enhancement and employability training.** The project provided skills training to 14,610 youth (9,065 or 62% women) on various relevant trades identified by the need assessment. The trained women said that the training equipped them with the skills and confidence essential for employment and career upliftment (OP2.1.1-Box 1).

Strategic Gender Benefits

- **Life/work skills education.** The project inculcated 3,928 students (1,525 girls) with life skills training. It facilitated among participants self-awareness, critical thinking, creative thinking, decision making, problem-solving, effective communication, interpersonal relationship, empathy, and coping with stress and emotion. This intervention will have life-lasting and inter-generational transmission impacts on the participants, especially women.

- Women's voice and agency through **mass awareness programs**. The project fared exceptionally well in raising awareness among the local community on social, economic, and gender barriers to completing secondary education and accessing TVET programs at a large magnitude of 8,332 campaigns/programs. As intended, the project covered 182,169 community members in 11 project districts, of whom 86,746 (48%) were women. The rapid assessments after the awareness program produced valuable insights for the Department of Education, Department of Labor, Meghalaya State Skill Development Society to integrate gender equality dimensions in the design and implementation of future programs (Box 2).

Box 1: Gained Financial Independence and Increased Income After Attending the Training

Story of Parmoni J Sangma, Jholgaon, Ampati, South West Garo Hills District

One of my friends learned about the Don Bosco Tech Society in our village meeting organized by the project. My friend encouraged me to enquire about the courses run by Don Bosco. We found the Assistant Beauty Therapist course promising, so we joined on August 1, 2018. The course built our capacity, and we learned a lot in our 2 months of training. Subsequently, on November 9, 2018, we got selected through a campus interview by R3 Naturals, which offered us a salary of Rs.12,000 per month. The R3 Naturals is a Uttarakhand-based company, far away from my home state. I am currently working in Rampur, Uttarakhand. I am delighted with my job. At times, I am constrained in terms of the language while dealing with clients, but I am handheld by senior colleagues. My colleagues and seniors are supportive and encouraging. They helped me learn the ropes of working in the cosmetic industry and overcome the challenges positively. Before the training, I was dependent, and post the activity I am working as a confident professional earning a livelihood. My parents, especially my father, who was skeptical of my relocation to a new place, are pleased about my financial independence. I express my sincere gratitude to Don Bosco Tech and MSSDS for encouraging me and thousands of other trainees to learn and utilize our learning wisely.

Story of Ms. Bajerlin Nongkynrih, Laitkroh, East Khasi Hills District

I am a 45-year-old woman. My family is primarily into farming, and my husband's work in carpentry supplements our income. The conventional methods for agriculture that we've used over the years have led to low yield through the loss of soil fertility. Initially, I was not very enthusiastic about the training by IFC Ltd., but after a few sessions with the trainers, my interest grew. I began to take an interest in mushroom cultivation, and I presently grow mushrooms in addition to my other crops. My mushrooms now bring a substantial return that has helped improve my livelihood and my family. I usually sell my mushroom at Rs. 210 per kilogram. I owe my success to the IFS training program, which assisted me with the training and market linkage. AFC continued its support even post-training. They checked my progress even during the pandemic lockdown.

Source: Meghalaya State Skill Development Society (MSDDS) /PIU-2.

Box 2: Women's voice and agency

I attended the mobilization and counseling workshop organized by AFC Ltd. Initially, I was hesitant to interact with the workshop resource persons. However, the resource persons nudged me and the other participants, including men, to share our knowledge and experience in food processing. Women participants, including me, gained the confidence to interact with the resource persons and give our input to the workshop. We were happy that our insights were valued and recognized by men participants double our age. It was the workshop where most of my doubts on proper cultivation methods and the type of crops to grow for higher-income got addressed. I also attended the training given by AFC. After the training, I started making meat pickles, which is one of the food processing skills that I learned from the training. I also practice backyard gardening where I planted carrots, beetroots, beans, radish, etc., using the techniques I learned from the training. Through the support of Growth Farm and AFC I have created a sound and viable business.

Ms. Kyntiewlin-34 years, Nonglang ginger and broomstick cultivator for livelihood.

Source: Meghalaya State Skill Development Society (MSDDS) /PIU-2.

Enabling factors

- **Utilization of skills challenge fund (SCF) to encourage skills training in areas suited for women.** Out of the total amount of ₹46,67,89,647 earmarked or contract awarded under SCF, 58.11% was allocated for training of women within and outside the state.
- **Partnerships with nongovernment organizations for community awareness-raising on girls' education and skills development opportunities.** The project built a strong partnership with NGOs in 11 districts of Meghalaya and organized 3,652 public consultations on the significance of girls' education and skills development opportunities.
- **Enabling institutional environment and institutional capacity in gender mainstreaming through capacity development interventions on gender equality issues in education and skills development.** The project organized 34 capacity development programs to train 701 staff members, including 225 (32%) women, on designing and implementing quality human development programs for vulnerable populations, including women and indigenous people.

TABLE A7: GENDER ACTION PLAN ACHIEVEMENTS MATRIX

Gender Activities and Targets	Achievement at Project Completion	Status at Project Completion																										
Outcome (i) 5% reduction in dropout rate per annum for both girls and boys at SHS levels in 117 government-aided private schools covered under the project (baseline – 11% average drop-out at the SHS level).	<ul style="list-style-type: none">In project schools, PIU1 did the data tracking of dropouts and analysis separately. Based on the CAGR, the dropout in 2012–20 was – 7% for both boys and girls.³The average annual growth rate also shows -5% (-4% for Boys & -5% for girls). <table><tr><th rowspan="2">Students</th><th rowspan="2">Base year (2012)</th><th colspan="2">End Year (2020)</th><th rowspan="2">CAGR (%)</th><th rowspan="2">AAGR (%)</th></tr><tr><th>DMF Target @5% /year reduction</th><th>Achievement</th></tr><tr><td>Boys</td><td>376</td><td>249</td><td>193</td><td>-7</td><td>-4</td></tr><tr><td>Girls</td><td>395</td><td>262</td><td>199</td><td>-7</td><td>-5</td></tr><tr><td>Total</td><td>771</td><td>512</td><td>392</td><td>-7</td><td>-5</td></tr></table> <ul style="list-style-type: none">The average annual dropout rate achieved for secondary school level for Meghalaya during 2012–2013 is 35.94%, and 2019–2020 is 22.24%, respectively.	Students	Base year (2012)	End Year (2020)		CAGR (%)	AAGR (%)	DMF Target @5% /year reduction	Achievement	Boys	376	249	193	-7	-4	Girls	395	262	199	-7	-5	Total	771	512	392	-7	-5	Achieved
Students	Base year (2012)			End Year (2020)				CAGR (%)	AAGR (%)																			
		DMF Target @5% /year reduction	Achievement																									
Boys	376	249	193	-7	-4																							
Girls	395	262	199	-7	-5																							
Total	771	512	392	-7	-5																							
(ii) 60% of skilled male and female trainees for wage employment find jobs within 1 year.	<ul style="list-style-type: none">Cumulatively, of 14,610 trained, 10,371 (70.99%) were employed within 1 year. Of the 10,371 employed, 3,700 (35.68%) were men, and 6,671 (64.32%) were women.	Achieved																										
Output 1. Improved teaching and learning in government-aided secondary and higher secondary schools.																												
Target 1 (DMF output 1a) 117 SHS government-aided schools upgraded to meet the infrastructure, training, and gender and social equity standards of RMSA. ⁴	<ul style="list-style-type: none">The upgradation of 117 schools was in conformity with to meet the infrastructure, training, and gender and social equity standards of RMSA guidelines for innovations September 2011 (and amendments from time to time)⁵. The following gender and social equity standards were incorporated in the MOUs between the DOE, and SMCs: (i) collaboration amongst various stakeholders at all levels through partnerships to encourage the sharing of knowledge on good practices in promoting secondary education, (ii) interventions in girls and adolescent children in schools through guidance and counseling of community/stakeholders/student outreach orientation of teachers, etc. (iii) affirmative actions and infrastructure design for safety and security of girl students. restraining	Target 1 achieved																										

³ UDISE does not capture absolute number of dropouts. The dropout calculation (True Cohort Model) is a derived formula that is used for calculation at the state and district. Hence, for this project, the dropout of students from project schools under PIU-1 was tracked manually as absolute numbers for boys and girls separately from 2012 onwards. CAGR was then calculated separately for boys and girls based on the dropout of students with 2012 as the start year and 2020 as the end year and year-on-year growth was represented as percentage. It may be clarified here that the sex-disaggregated dropout was not calculated from CAGR, but CAGR was calculated separately for boys and girls from the data that was maintained by project schools.

⁴ The project GAP targeted to build/upgrade at least one toilet for females in 117 target schools.

⁵ The RMSA guidelines for innovations September 2011 (and amendments from time to time prescribed the following: (i) collaboration amongst various stakeholders at all levels through partnerships to encourage the sharing of knowledge on good practices in promoting secondary education, (ii) interventions on girls and adolescent children in schools through guidance and counseling of community/stakeholders/student outreach orientation of teachers, etc. (iii) affirmative actions and infrastructure design for safety and security of girl students, restraining eve-teasing, sexual abuse, and monitoring of school management committees.

Gender Activities and Targets	Achievement at Project Completion	Status at Project Completion
	<p>eve-teasing, sexual abuse, and monitoring of school management committees.</p> <ul style="list-style-type: none"> • Separate modern and hygienic toilets for girls in 117 (100%) SHS schools were installed/upgraded. • 26 schools which already had girls' activity rooms in their old buildings were revamped. 	
<p>Target 2. Enrollment capacity increased by 1,980 students in grades 11 and 12 in 33 schools⁶. (Target: 50% girls).</p>	<ul style="list-style-type: none"> • The state government identified 33 project schools for upgradation to higher secondary schools - 26 schools were upgraded within the project period, and 7 schools are in the process of upgradation. 1,589 (80% of the target) students in 26 schools (626 or 39.40 % boys and 963 or 60.60% girls) were enrolled in 2021. In 2022, the enrolment is anticipated to enroll more students to achieve the remaining target with 50% girl students in the remaining 7 schools. The total achievement is 1,986 against the target of 1,980, achieving 1,130 or 56% girl students. 	<p>Target 2 substantially achieved [OP 2.2]</p> <p>Gender target = 50% of 1980 = 990 girls</p> <p>Achievement = 963 (or 97% of 990 girls)</p>
<p>Target 3. 3 training programs on GESI sensitive quality education and active learning methods developed and conducted for 50 MTs (Target: 50% women).</p>	<ul style="list-style-type: none"> • 3 training programs held with 108 participant MTs, of whom 60 (55%) were women and 48 (or 45%) were men. • The programs developed teachers' capacity to dedicate special attention to students from socially excluded groups and girl students and identify their circumstances, academic needs, and constraints in continuing secondary education. They also equipped teachers with the essential expertise to develop a specialized evaluation in GESI aspects. The programs were guided by RMSA guidelines on (i) innovation guidelines; (ii) intervention for guidance/counseling for adolescent education, with particular emphasis on the transition of girls into secondary education; and (iii) planning and appraisal manual for secondary education RMSA standards. 	<p>Target 3 achieved</p>
<p>Target 4. In-service training of on GESI-sensitive quality education and teaching/learning methods) of 3,500 SHS teachers covering all 591 government-aided</p>	<p>The project trained 3,717 in-service teachers (1,896 or 51% female teachers) from 572 government-aided private schools.⁸ The training provided women teachers with equal opportunity to strengthen their expertise and abreast themselves with modern teaching skills to serve and grow at par with male teachers.</p>	<p>Target 4 achieved</p> <p>OP 2.1.1</p>

⁶ The original target of 40 schools was revised to 33 during the MTR (refer to Section D, para. 6-7 above).

⁸ The break-down of categories of teachers: 88 master trainers, 465 head teachers, 2,797 SHCD untrained and unqualified teachers, 201 teachers for science and 166 teachers for math from across 567 and 5 government-aided schools.

Gender Activities and Targets	Achievement at Project Completion	Status at Project Completion
private schools (Target 45% women) ⁷ .		
Target 5. 500 underqualified secondary school and higher secondary teachers' requalification training at the 6 teacher training centers rehabilitated under the project (Target: 33% women).	700 government teachers (385 or 55% women) completed requalification training at the 6 teacher training centers rehabilitated. The training was guided by RMSA guidelines prepared by MHRD.	Target 5 achieved
Target 6. 30 life/work skills education workshops conducted (Target: 1,000 boys and 1,000 girls).	<ul style="list-style-type: none"> • 47 life/work skills education workshops conducted with 3,928 participants (2,403 boys; 1,525 girls). • The programs focused on (i) self-awareness; (ii) critical thinking; (iii) creative thinking; (iv) decision-making; (v) problem solving; (vi) effective communication; (vii) interpersonal relationship; (viii) empathy; and (ix) coping with stress and emotion. 	Target 6 achieved
Target 7. SMCs sensitized about promoting girls' education, lowering dropout rates, and improving learning outcomes (Target: 117 SMCs in 117 schools). <ul style="list-style-type: none"> • Standard agreements between the state government and SMCs include GESI-sensitive provisions, such as monitoring of GESI targets. 	<ul style="list-style-type: none"> • 117 SMCs in 117 schools sensitized about promoting girls' education, lowering dropout rates, and improving learning outcomes • 771 sessions conducted for SMCs⁹ • 218 participants, including 40 women participated in the sensitization programs • The sessions led the SMCs to accept the incorporation of gender-sensitive approaches in teacher training MOUs (117) with SMCs¹⁰. • Section II page of the MOUs between the state government and SMCs included the following gender and social equity standards (i) collaboration amongst various stakeholders at all levels through partnerships to encourage the sharing of knowledge on good practices in promoting secondary education, (ii) interventions on girls and adolescent children in schools through guidance and counseling of 	Target 7 achieved

⁷ Target revised from 50% to 45% women during the midterm review and approved through a minor change in scope in March 2020.

⁹ On average one SMC had 6 to 7 sessions.

¹⁰ The EA's PCR and the MOUs between DOE, GOM and SMCS confirm that the 117 MOUs included the provisions to ensure SMCs' active role in (i) improving student attendance and reducing dropouts; (ii) encouraging teachers to use gender and socially sensitive teaching methodologies in classrooms. (iii) ensuring community members with equal participation of men and women and significant representation of the tribal groups in meetings where important decisions regarding the school are taken. (iv) conducting a general body meeting at least three weeks before initiation of civil works in which community representatives, including women and tribal groups, are invited and informed about the project details in infrastructure.

Gender Activities and Targets	Achievement at Project Completion	Status at Project Completion
	community/stakeholders/student outreach orientation of teachers, etc. (iii) affirmative actions and infrastructure design for safety and security of girl students, restraining eve-teasing, sexual abuse, and monitoring of school management committees.	
Output 2. Increased capacity and responsiveness of technical and vocational education and training.		
Target 8. Training of 25,000 youth over project period (40% women trainees and 95% tribal trainees) conducted. ¹¹	<ul style="list-style-type: none"> To improve the effectiveness of TVET. Skills training modules and programs that respond to the skills needs of the youth were developed¹². The skill training modules were based on research by the PMC to identify skill gap and trades for male and female candidates for the implementation under the SCF. Of the ₹466,789,647 earmarked under the SCF, 58.11% was allocated for training of women and 41.89% men within and outside the state. Of the 14,610 youth trained on topics covered in the developed skills development program, 9,065 (62%) were women. 	Target 8 substantially achieved [OP 2.1.1] Gender target = 40% of 25,000 = 10,000 women Achievement = 9065 (or 90% of 10,000 women)
Output 3. Increased awareness and participation		
Target 9. Partnerships with nongovernment organization/s (NGO/s) developed to conduct consultation and awareness campaigns on girls' education and skills development opportunities at the community level in all 11 districts of Meghalaya.	<ul style="list-style-type: none"> 3,652 consultations were organized in partnership with local NGOs. The consultation campaigns raised awareness among 1,637 participants, including 790 (48%) women and girls from local communities, govt. and private school functionaries, department of education, etc., in 11 districts of Meghalaya state on equal educational and skills development opportunities for women and men at the community level Partnership with 20 local NGOs developed in 11 districts to assist in the organization of the campaigns. The success of these awareness programs was validated by the participation of women and girls in the skill development training programs (GAP target 8), where women outnumbered men. 	Target 9 achieved

¹¹ Target revised from 60,000 to 30,000 participants during the MTR which was further revised to 25,000 in 2020- Refer to para-D.

¹² The skills development programs covered (i) hospitality (front office, housekeeping, computer operators); (ii) IT/ITES data entry, BPO/Call centres, customer service, and helpline, hardware maintenance, IT system specialization; (iii) healthcare (housekeeping staff in hospitals and clinics, para-health workers, hospital management); (iv) education (Master trainers, Teachers and Instructors for vocational courses); (v) tourism (tourist guides, tour operators, trained certified drivers); (vi) beauty and wellness attendants in beauty salons, hair styling, spa services; (vii) mining operators (for dumpers, loaders, and excavators, welding, blasting, drilling); (viii) retail services (customer relationship management, front desk management); (ix) media and entertainment (camera operation, music composer, animation designers, radio jockeys, cinematography); and (x) automotive (auto mechanics, commercial drivers, direct sales agents).

Gender Activities and Targets	Achievement at Project Completion	Status at Project Completion
	<ul style="list-style-type: none"> The relevance and success of the NGO partnership can be validated by encouraging progress achieved against Target 8 of the GAP. The consultations facilitated by the NGOs proved effective in galvanizing community members, including women and girls in the skill training programs where women and girls outnumbered men and boys. 	
Target 10 (DMF output 3 a). At least 20,000 participants (50% women) in awareness building and mobilization campaigns that address social, economic, and gender barriers to completing secondary education and accessing TVET programs.	<ul style="list-style-type: none"> 8,332 events held with 182,169 participants, including 86,746 (48%) women. The awareness mobilization campaigns, and career counseling events facilitated by NGOs addressed social, economic, and gender barriers to completing secondary education and accessing TVET education, focusing on all 11 districts. Cumulatively, 81.75% of participants from all 11 districts were from the tribal groups (indigenous peoples). 	Target 10 achieved
Output 4. Improved project management and monitoring and evaluation		
Target 11. 5 training workshops conducted for women/men staff of key departments on designing and implementing quality human development programs for vulnerable populations, including women and indigenous people (Target: 40% women).	<ul style="list-style-type: none"> 34 workshops conducted with 701 staff/participants, of whom 225 (32%, i.e., 80% of women's target) were women staff.¹³ The training workshops disseminated knowledge and methods on how to design and implement quality human development programs for vulnerable populations, including women and indigenous people. 	Target 11 substantially achieved

¹³ The executing agency rationalized that the number of staff/participants is always in proportion. i.e., for each workshop, there are men and women. The number of women was proportion to the number of men. Hence, the target of 40% women was not feasible as the number of participants nominated by key departments included both men and 100% women over which the Department of Finance had no control. Besides, the number of staff and number of women staff in government departments are always fluid because of attrition or Inter-departmental transfers. It is not possible to get a correct number and carry out remedial actions as the number may fluctuate at the time of training.

Gender Activities and Targets	Achievement at Project Completion	Status at Project Completion
<p>Activity 1. Monitor the progress of gender-focused activities in education/skills development using gender-disaggregated data.</p> <ul style="list-style-type: none"> Monitoring and evaluation system, with gender targets for education and skills development, in place by mid-2015. 	<p>Project management information system with gender Indicators operationalized.</p> <ol style="list-style-type: none"> Gender distribution/indicators for: <ul style="list-style-type: none"> Training for Teachers Skill Training Consultations/workshops Awareness and mobilization Gender indicators in infrastructure: <ul style="list-style-type: none"> Separate toilets and activity rooms for girls Sex-disaggregated data was collected, analyzed, and key findings were disseminated to address implementation gaps. The data also informed the quarterly GAP report. The data was collected from the following source: (a) Field consultations by NGOs and (b) PIU 2: MSSDS-STP PIU 1: DSEL-UDISE, TTP. Skill training providers also created a robust mechanism to collect and transmit data segregated by sex. 	Activity 1 completed
<p>Activity 2. Prepare Skill Plan for identifying appropriate trades for women in sectors/subsectors where jobs are available within and outside Meghalaya.</p> <ul style="list-style-type: none"> Skills plan finalized covering various districts of Meghalaya. Gender-disaggregated baseline data collected for monitoring progress in reducing skill and earning gaps between men and women. 	<ul style="list-style-type: none"> The research to prepare the skill plan was conducted by the PMC based on the secondary data and in consultation with various state government departments. Appropriate trades for women in sectors/subsectors where jobs are available within, and outside Meghalaya were identified. The plan guided the skill training providers in conducting the training. 14 training packages identified appropriate trades for women in sectors/subsectors where jobs are available for women within and outside Meghalaya. 	Activity 2 completed
<p>Activity 3 Gender-disaggregated baseline data collected for monitoring progress in reducing skill and earning gaps between men and women.</p>	<ul style="list-style-type: none"> The project-collected data on earnings of both males and females at the beginning of the skill training programs and after placement. The data were integrated into the trainee information system and registration of trainees to gauge the gender gap differential in skills and earning. 	Activity 3 completed
<p>Activity 3 Gender-disaggregated baseline data collected for monitoring progress</p>	<ul style="list-style-type: none"> The project-collected data on earnings of both males and females at the beginning of the skill training programs and after placement. The data were integrated into the trainee 	Activity 3 completed

Gender Activities and Targets	Achievement at Project Completion	Status at Project Completion
in reducing skill and earning gaps between men and women.	information system and registration of trainees to gauge the gender gap differential in skills and earning.	
Overall GAP Assessment: Successful ¹⁴		

BPO = business processing outsourcing, DOE = Department of Education, DPCU = district project coordination unit, GAD = gender and development, GESI = gender equality and social inclusion, GOM = Government of Meghalaya, M&E = monitoring and evaluation, MHRD = Ministry of Human Resource Development (Ministry of Education now), MOU = memorandum of understanding, MSSDS = Meghalaya State Skill Development Society, MT = master trainer, NGO = nongovernment organization, PIU = project implementation unit, PMC = project management consultant, RMSA = Rashtriya Madhyamik Shiksha Abhiyan (National Secondary Education Program), SCF = Skills Challenge Fund, SMC = school management committee, SHS = secondary and higher secondary, TVET = technical and vocational education and training, UDISE = unified district information system.

G. Lessons Learned and Conclusion

8. The project's GAP focused on school dropouts (girls and boys) and women and men from low-income and vulnerable groups by increasing access to quality education, skills development, and employment opportunities. Women from vulnerable and low-income households were provided with skills development opportunities in traditional and nontraditional livelihood sectors and clusters. As these results addressed the issues identified during program appraisal, the interventions are assessed as **relevant**. The accompanying JFPR grant aided the project's efficiency in achieving gender equality results. The executing agency made **efficient** arrangements (adequate resources, expertise, and workforce) to implement and monitor gender-focused activities. The skill training providers were constrained in youth skills training under DMF Output 2 due to COVID-19 restrictions during FY2020/2021. The project met only 48% of the target. The 100% completion of activities and 90% achievement of all targets show the **effectiveness of GAP implementation**.

9. The GAP's enabling features increased gender inclusivity in the project. Also, the staff capacity development component motivated the Department of Finance, Government of Meghalaya, and four implementing agencies to implement gender considerations consistently. At completion, the executing agency assessed that the gender-equality results and the lessons learned from the project could be introduced to future TVET initiatives, improving the **likely sustainability** of the GAP achievements.

¹⁴ 3/3 activities completed (100%), all 11 targets were substantially or fully achieved (100%).

STATUS OF COMPLIANCE WITH LOAN COVENANTS

Product	Schedule	Para No.	Description	Status
Loan 3033	Loan Agreement Article IV	4.01	(a) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound applicable technical, financial, business, and development practices. (b) In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Loan Agreement and the Project Agreement.	Complied with.
Loan 3033	Loan Agreement Article IV	4.02	The Borrower shall make available to the State, promptly as needed, the funds, facilities, services, as required, in addition to the proceeds of the Loan, for the carrying out of the Project.	Complied with.
Loan 3033	Loan Agreement Article IV	4.03	The Borrower shall cause the State to ensure that the activities of its departments and agencies with respect to the carrying out of the Project and operation of the Project facilities are conducted and coordinated in accordance with sound administrative policies and procedures.	Complied with.
Loan 3033	Loan Agreement Article IV	4.04	The Borrower shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.	Complied with.
Loan 3033	Loan Agreement Article IV	4.05	ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.	Partially complied with.
Loan 3033	Loan Agreement Article IV	4.06	The Borrower shall take all actions which shall be necessary on its part to enable the State to perform its obligations under the Project Agreement and shall not take or permit any action which would interfere with the performance of such obligations.	Complied with.
Loan 3033	Loan Agreement Article IV	4.07	(a) In relation to the Project, the Borrower shall exercise its rights under the Financing Arrangements in such a manner as to protect the	Complied with.

			interests of the Borrower and ADB and to accomplish the purposes of the Loan. (b) In relation to the Project, no rights or obligations under the Financing Arrangements shall be assigned, amended, abrogated or waived without prior notice to ADB.	
Loan 3033	Loan Agreement Schedule 5	1	The Borrower, the State, and MSSDS shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Borrower and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.	Complied with. The implementation arrangements have been followed. The changes to implementation have been approved by competent authority.
Loan 3033	Loan Agreement Schedule 5	2	The Borrower to make available through budgetary allocations or other means, all counterpart funds required for the timely and effective implementation of the project including any funds required to make land available for the project, to mitigate unforeseen environmental, resettlement and other social impacts, and to meet additional costs arising from design changes, price escalation in construction costs or other unforeseen circumstances.	Complied with. ₹49 Crores (\$6.5 million) approximately has been released so far towards salaries, maintenance and operation, recurring cost, etc.
Loan 3033	Loan Agreement Schedule 5	3	The State shall ensure that each selected school satisfies the minimum criteria mentioned in paras 3a to 3j of the Loan Agreement.	Complied with.
Loan 3033	Loan Agreement Schedule 5	3	Except as ADB may otherwise agree, the State shall ensure that each selected school satisfies the following minimum criteria: 3(f) the rehabilitation of the selected school shall not require any acquisition of additional land or have any negative resettlement, environment, or other social safeguard impacts; 3 (g) the selected school shall not be located near any national park or environmentally or culturally sensitive or protected areas;	Complied with.
Loan 3033	Loan Agreement Schedule 5	4	Access Roads - The State shall:(a) prepare a Condition Assessment Report (CAR) for each selected schools prior to commencing any	Complied with.

			rehabilitation upgradation works for such selected school; (b) ensure commencement of the construction or rehabilitation works on each selected school access road, where warranted, in accordance with and within 180 days of receipt of the CAR for such school and shall expedite completion of the construction or rehabilitation works; (c) make funds available for the construction or rehabilitation of the access roads under any funding scheme or program of the State.	
Loan 3033	Loan Agreement Schedule 5	5	Guidelines and Funding for the Maintenance of Selected Schools - Within 18 months of the effective date, the State shall approve and issue guidelines pursuant to which selected schools Seeking funding for maintenance or replacement of equipment or infrastructure may apply to the State for funding. The State shall make budgetary allocation of at least \$250,000 equivalent for such maintenance works in its AWPB for FY2014/2015 and in each of its subsequent AWPBs for 3 years.	Complied with.
Loan 3033	Loan Agreement Schedule 5	6	The State shall: (b) within 180 days of the effective date, have implemented the recommendations set out in the assessment referred in 6(a) as acceptable to the State to ensure timely processing and payment of teacher salaries.	Complied with.
Loan 3033	Loan Agreement Schedule 5	6	Payment of Teacher Salaries - State shall: (a) within 90 days of the effective date, in conjunction with the PMU, complete an assessment of the procedure for payment of teacher salaries for schools receiving State funding under the Meghalaya School Education Act, 1981. The assessment shall include clear recommendations to improve the processing and payment of teacher salaries.	Complied with.
Loan 3033	Loan Agreement Schedule 5	7	The State shall: (a) within 90 days of the effective Date, have finalized guidelines acceptable to ADB for the selection of secondary and higher secondary teachers who shall receive training under Part 1(c) of the project. The guidelines shall include	Complied with.

			a timetable for phased and timely provision of teacher training activities over the project period.	
Loan 3033	Loan Agreement Schedule 5	7	The State shall: (b) ensure that at least 500 under qualified secondary school and higher secondary teachers, including at least 33% women, undertake their requalification training at the 6 teacher training centers rehabilitated under the project.	Complied with.
Loan 3033	Loan Agreement Schedule 5	8	Sustainability of Skills Challenge Fund. The State shall make available an amount of at least \$1,000,000 on an annual basis to supplement the Skills Challenge Fund once 75% of the loan proceeds allocated for the Skills Challenge Fund have been utilized by MSSDS, for at least 5 years thereafter. The State shall make these funds available to MSSDS through budgetary allocations in the State's AWPBs, under programs such as the State's Integrated Basin Development and Livelihood Promotion Program or any other appropriate funding sources.	Complied with. GOM has so far released ₹64,928,975 for SCF.
Loan 3033	Loan Agreement Schedule 5	9	Selection Criteria for Private Training Providers By No later than 31 December 2013, the State and MSSDS shall approve selection criteria, acceptable to ADB, for private not-for-profit training providers to receive funding under Part 2(b) of the Project. The State and MSSDS shall ensure that the selection criterion requires the private not-for-profit training providers to enter into an agreement with MSSDS under which they will undertake to reform their training methodology. MSSDS shall not provide funding under Part 2(b) of the Project to any private not-for-profit training providers until the selection criteria has been approved by the State, MSSDS and ADB and the training provider has entered into the agreement with MSSDS.	Complied with.
Loan 3033	Loan Agreement Schedule 5	10	Financial Management Within 180 days of the Effective Date, MSSDS shall have established, to the satisfaction of ADB, an appropriate accrual-based accounting system with appropriate procedures, internal	Not Complied with. Though MSSDS is following accrual-based accounting system, submission APFS of the project and AEFS of

			controls and regulations to ensure prudent financial systems management and to monitor the use of the proceeds of the Loan and the Skills Challenge Fund. The State shall ensure that MSSDS has sufficient funding and other resources to enable MSSDS to provide to its personnel appropriate training to enable them to efficiently and effectively operate the accrual-based accounting system	MSSDS have been delayed, auditors opinion not given and ADB observations not addressed. Due to these reasons the performance of the EA for Financial Management has been rated less than satisfactory.
Loan 3033	Loan Agreement Schedule 5	11	Project Website Within 90 days of the Effective Date, the State shall establish a Project website to provide information on (a) bidding procedures, bidders, and contract awards; (b) the use of funds disbursed under the Project; (c) the physical progress of the Project; (d) the vocational and skills training courses being funded by the Project; (e) teacher training courses available; and (f) other relevant Project related information.	Complied with.
Loan 3033	Loan Agreement Schedule 5	12	Gender and Development Borrower and State shall ensure that the Gender Action Plan is effectively implemented, to achieve its objectives of, among others, (a) providing the dedicated toilets for girls in the Selected Schools; (b) sensitizing school management committees on the importance of promoting education for girls; and (c) conducting training workshops for officials and staff in key departments of the State on designing and implementing quality human development programs.	Complied with.
Loan 3033	Loan Agreement Schedule 5	13	Environment- The Borrower and State shall ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project, and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment, health, and safety; (b) the Environmental Safeguards; (c) the EARF; and (d) all measures and requirements set forth in the respective IEE and EMP, and any corrective or preventative actions	Complied with.

			set forth in a Safeguards Monitoring Report.	
Loan 3033	Loan Agreement Schedule 5	14	Indigenous Peoples. The Borrower and the State shall ensure that the preparation, design, construction, implementation and operation of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to indigenous peoples; (b) the Indigenous Peoples Safeguards; and (c) all measures and requirements set forth in the IPP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.	Complied with.
Loan 3033	Loan Agreement Schedule 5	15	Land Acquisition and resettlement. The borrower and State shall ensure that the project does not involve any land acquisition or resettlement within the meaning of the Safeguard Policy Statement. If due to circumstances, the Project involves land acquisition or resettlement, the State shall take all steps necessary or desirable to ensure that the Project complies with all applicable laws and regulations of the Borrower and the State and with the Safeguard Policy Statement.	Complied with.
Loan 3033	Loan Agreement Schedule 5	16	Human and Financial Resources to Implement Safeguards Requirements. The Borrower shall make available, or cause the State to make available, necessary budgetary and human resources to fully implement the EMPs and the IPP.	Complied with.
Loan 3033	Loan Agreement Schedule 5	17	Grievance Redress Committee. The State shall establish and maintain a grievance redress committee with representation from all stakeholders in the Project for the purpose of addressing any grievances from affected peoples concerning environment, resettlement and any other social issues in a timely manner.	Complied with.
Loan 3033	Loan Agreement Schedule 5	18	Safeguards Related Provisions. Bidding Documents and Works Contracts. The Borrower and the State shall ensure that all bidding documents and contracts for Works contain provisions that require contractors to: (a) comply with the measures relevant to the contractor	Complied with.

			set forth in the IEEs, the EMPs, and the IPP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set forth in a Safeguards Monitoring Report; (b) make available a budget for all such environmental and social measures; and (c) provide the Borrower with a written notice of any unanticipated environmental or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEEs, the EMPs and the IPP.	
Loan 3033	Loan Agreement Schedule 5	19	The Borrower, the State, and MSSDS shall ensure that the anticorruption provisions acceptable to ADB, the Borrower, and the State are included in all bidding documents and contracts financed by ADB in connection with the Project, including provisions specifying the right of ADB to review and examine the records and accounts of the State and all contractors, suppliers, consultants, and other service providers as they relate to the Project. The Borrower, the State, and MSSDS shall allow and assist ADB's representatives to carry out random spot checks on the work in progress and utilization of funds for the Project.	Complied with. Anticorruption provisions as stated in loan agreement have been included in all bidding documents.
Loan 3033	Loan Agreement Schedule 5	20	Social Provisions in Works Contracts. The Borrower and the State shall ensure that the Works contracts under the Project follow all applicable labor laws of the Borrower and the State and that these further include provisions to the effect that contractors; (a) carry out HIV/AIDS awareness programs For labor and disseminate information at worksites on risks of sexually transmitted diseases and HIV/AIDS as part of health and safety measures for those employed during construction; and (b) follow and implement all statutory provisions on labor (including not employing or using children as labor, equal pay for equal work), health,	Complied with.

			safety, welfare, sanitation, and working conditions. Such contracts shall also include clauses for termination in case of any breach of the stated provisions by the contractors.	
Loan 3033	Loan Agreement Schedule 5	21	The Borrower shall do the following or cause the State to do the following (a) submit semiannual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission.	Complied with.
Loan 3033	Loan Agreement Schedule 5	21	(b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEEs, the EMPs, and the IPP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan.	Not yet reported.
Loan 3033	Loan Agreement Schedule 5	21	(c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMPs, or the IPP promptly after becoming aware of the breach.	Complied with.
Loan 3033	Loan Agreement Schedule 5	22	Prohibited List of Investments- The borrower, State and MSSDS shall ensure that no proceeds of the loan are used to finance any activity included in the list of prohibited investment activities provided in appendix 5 of SPS.	Complied with.
Loan 3033	Project Agreement	Section 2.07	(a) ADB, the State, and MSSDS shall cooperate fully to ensure that the purposes of the Loan will be accomplished. (b) The State and MSSDS shall promptly inform ADB of any condition which interferes with, or threatens to interfere with, the progress of the Project, the performance of their obligations under this Project Agreement, or the accomplishment of the purposes of the Loan. (c) ADB, the State, and MSSDS shall from time to time, at the request of any party, exchange views through their representatives regarding any matters relating to the Project, the State, MSSDS, and the Loan.	Complied with.

Loan 3033	Project Agreement	Section 2.08	<p>(a) The State and MSSDS shall furnish to ADB all such reports and information as ADB shall reasonably request concerning (i) the Loan and the expenditure of the proceeds thereof; (ii) the items of expenditure financed out of such proceeds; (iii) the Project; (iv) the administration, operations, and financial condition of the State and MSSDS; and (v) any other matters relating to the purposes of the Loan.</p> <p>(b) Without limiting the generality of the foregoing, the State and MSSDS shall furnish to ADB periodic reports on the execution of the Project and on the operation and management of the Project facilities. Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, progress made and problems encountered during the period under review, steps taken or proposed to be taken to remedy these problems, and proposed program of activities and expected progress during the following period.</p> <p>(c) Promptly after physical completion of the Project, but in any event not later than 3 months thereafter or such later date as ADB may agree for this purpose, the State shall prepare and furnish to ADB a report, in such form and in such detail as ADB shall reasonably request, on the execution and initial operation of the Project, including its cost, the performance by the State and MSSDS of their obligations under this Project Agreement and the accomplishment of the purposes of the Loan.</p>	Complied with.
Loan 3033	Project Agreement	Section 2.09	<p>(a) The State and MSSDS shall (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with accounting principles acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international</p>	<p>Partially Complied with. EA has adopted accrual-based accounting. EA prepared annual financial statements for the Project in accordance with accounting principles acceptable to ADB. Financial statements were audited annually by independent auditors whose qualifications,</p>

		<p>standards for auditing or the national equivalent acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report (which includes the auditors' opinion on the financial statements, use of the Loan proceeds and compliance with the financial covenants of this Loan Agreement as well as on the use of the procedures for imprest fund(s) and statement of expenditures) and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 9 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.</p> <p>(b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.</p> <p>(c) In addition to annual audited financial statements referred to in subsection (a) hereinabove, MSSDS shall; (i) provide its annual financial statements prepared in accordance with national accrual-based financing reporting standards acceptable to ADB; (ii) have its financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB; and (iii) furnish to ADB, no later than 1 month after approval by the relevant authority, copies of such audited financial statements in the English language and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.</p>	<p>experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB. As part of each such audit, auditors prepared a report which did not include the auditors' opinion on several occasions. Management letter was not signed on several occasions. APFS and AEFS submissions were delayed for several years.</p> <p>(a) Reconciliation of disbursements between ADB records and the APFS were not carried out over the years, reflecting an unreconciled figure of ₹1,966 million (31% difference) up to the last APFS submitted of FYE 2021, which cannot be accepted as the final APFS. The difference in reconciliation is primarily because of non-inclusion of figures pertaining to funds received through reimbursement. EA will provide the APFS assurance by 31 December 2022 as stated in para 34 of PCR.</p> <p>(b) APFS of FYE 2020 and 2021 are pending disclosure.</p> <p>(c) AEFS from FYEs 2015 to 2021 were submitted, except for the first annual report of FYE 2014 expected beginning project effectivity. Private auditors audited the AEFS in accordance with auditing standards generally accepted in India and issued clean or unqualified opinion from FYEs 2015 to 2016 and qualified opinions from FYEs 2017 to 2021 for</p>
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			(d) The State and MSSDS shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and its financial affairs where they relate to the Project with the auditors appointed by the State and MSSDS pursuant to subsections (a)(iii) and (c) herein above and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the State and MSSDS, unless the State and MSSDS shall otherwise agree.	issues relating to unadjusted outstanding advances and non-registration under income tax act. There is no mention of the specific financial reporting framework used although the notes cite use of accrual method of accounting and historical cost convention.
Loan 3033	Project Agreement	Section 2.10	The State and MSSDS shall enable ADB's representatives to inspect the Project, the Goods and Works and any relevant records and documents.	Complied with.
Loan 3033	Project Agreement	Section 2.11	Except as ADB may otherwise agree, the State and MSSDS shall not sell, lease or otherwise dispose of any of their assets which shall be required for the efficient carrying on of their operations or the disposal of which may prejudice their ability to perform satisfactorily any of their obligations under this Project Agreement. Section	Complied with.
Loan 3033	Project Agreement	Section 2.12	Except as ADB may otherwise agree, the State and MSSDS shall apply the proceeds of the Loan to the financing of expenditures on the Project in accordance with the provisions of the Loan Agreement and this Project Agreement and shall ensure that all items of expenditures financed out of such proceeds are used exclusively in the carrying out of the Project.	Complied with.
Loan 3033	Project Agreement	Section 2.13	MSSDS shall promptly notify ADB of any proposal to amend, suspend or repeal any provision of its constitutional documents, which, if implemented, could adversely affect the carrying out of the Project or the operation of the Project facilities. MSSDS shall afford ADB an adequate opportunity to comment on such proposal prior to taking any affirmative action thereon.	Complied with.

Source: Government of Meghalaya and Asian development bank

CONTRIBUTION TO STRATEGY 2030 OPERATIONAL PRIORITIES

OP No.	Corporate Results Framework Indicators (Outputs and Outcomes)	Expected Value	Achieved Value	Expected and Implemented Method	Assessment
1.1.1	People enrolled in improved education and/or training (number)	1,980	1,589	Upgrading of 117 secondary and higher secondary project schools	Achieved. The project has achieved a 7% reduction in drop-out rates in the SHS schools as against the target of 5% reduction from 11% at baseline.
1.2.	Jobs generated (number)		10,371		There were 10,371 employed within 1 year from training under the project.
1.3.1.	Infrastructure assets established or improved (number)	117	117		Achieved. 117 SHS government-aided schools upgraded.
		234	234		234 digital classrooms established (2 in each of the 117 schools).
2.1.1	Women enrolled in TVET and other job training (number)	10,000	9,065	40% of 25,000 trainees	Substantially achieved. Of the 14,610 trained, 9,065 (or 62%) were women trainees.
		1,575	1,896	45% of 3,500 SHS teachers	
2.2	Women and girls completing secondary and tertiary education and/or other training (number).	990	963	Enrolment capacity increased by 1,980 students in grades 11 and 12 by 1,980 students of which 50% are girl students	Substantially Achieved. 26 schools have been upgraded within the project period to grades 11 and 12 and 7 schools are in the process of upgrading to grades 11 and 12. Enrolment capacity increased by 1,589 (80% of the target) students in 26 schools (626 or 39.40% boys and 963 or 60.60% girls). In 2022, the enrolment is anticipated to increase in the remaining 7 schools to achieve the full target.
3.2.5.	New and existing infrastructure assets made climate and disaster resilient	117	117		Achieved. 117 schools upgraded with features for earthquakes.

Source(s): Asian Development Bank, Government of Meghalaya.

ECONOMIC ANALYSIS AND FISCAL SUSTAINABILITY ASSESSMENT

I. Economic Reevaluation

A. Introduction

1. The economic analysis presented here is an update of the analysis undertaken at the appraisal stage of the project, which was presented in the Report and Recommendation of the president to the ADB Board of Directors. The project design is seen appropriate to address the issues of improving the educational quality and learning outcomes of secondary and higher secondary (SHS) students and skilling needs of the youth. The project was built on the evidence from existing data and research on the education quality and skill levels of youth in Meghalaya. Such evidence related to the poor infrastructure and inadequate learning environments in the schools, the low pass percentages at secondary level and the challenging issue of low youth employability in Meghalaya.

2. During most of the extended period of the Supporting Human Capital Development in Meghalaya Project (SHCDMP), India was hit by the unprecedented coronavirus disease (COVID-19) pandemic and its concomitant economic uncertainties marked by trends of economic shrinkages. The country's immediate response drew upon epidemiological and economic research and acted with an early and intense lockdown to save lives and preserve livelihoods via economic recovery in the medium to long term.¹ However, the Economic Survey 2021/2022 advance estimates suggest that the Indian economy is expected to witness real GDP expansion of 9.2% in 2021/2022 after contracting in 2020/2021. This implies that overall economic activity has recovered beyond the pre-pandemic levels.² That the state of Meghalaya has been able to maintain its resilience despite the epidemiological and economic challenges is evidenced by the state's GSDP (gross state domestic product) increase at a compound annual growth rate (CAGR) of 6.74% between 2015/2016 and 2020/2021.³ The economic reevaluation examines the post-implementation contribution of the project to skills development of the youth in Meghalaya and the consequent enhancement of their employability and income earning capacities that are seen to contribute to boosting the growth trend.

B. Economic Benefits

3. As with appraisal, the economic benefits at project completion mainly derive from the enhanced earning capacity of the beneficiary students and trainees, whose employability and income-earning potential improved because of the project SHS educational and skills development components. The project focused on improving the educational outcomes of SHS education, including increased enrollments and higher pass rates, and of skills development, including improved completion, pass and placement rates. The economic benefits were achieved through (i) improved learning environments through teacher training leading to quality student education, (ii) reduction in dropout rates of SHS students resulting in cost savings to government-aided schools, (iii) enhanced participation in terms of new/additional students in education programs through public awareness campaigns and mobilization efforts, and (iv) skills training in new trades offered through technical and vocational education and training/ Industrial training institute (TVET/ITI) ensuring higher wages and self-employment prospects to graduates.

¹ Government of India. 2021. *Economic Survey 2020–21*, Volume 1, Ministry of Finance, Department of Economic Affairs, Economic Division, New Delhi.

² Government of India. 2022. *Economic Survey 2021–22*, Ministry of Finance, Department of Economic Affairs, Economic Division, New Delhi.

³ Indian Brand Equity Foundation. 2022. Meghalaya State Presentation and Economic Growth Report, <https://www.ibef.org/states/meghalaya-presentation>.

4. **Enhanced earnings from quality education.** The total number of SHS students benefitting from upgrading the 117 schools is 28,080, based on design capacity of 60 students each in grade levels IX, X, XI and XII.⁴ The total is kept constant over the projection period. In the initial year of operation in 2021, 1,589 students or 6% of total, benefitted.⁵ This grew to 1,980 in 2022 or 7% of total. This is seen to grow gradually to 25% in 2023 and 50% in 2024, until capacity is reached in 2025. Annual income at ₹105,072 is based on the average of the wage rates of a semi-skilled service-employed worker (at ₹111,672) and an unskilled service worker (at ₹98,472). The net gain in earnings per student is estimated at ₹13,200 – the difference between the average income of a semi-skilled and unskilled worker. The net gain is subject to real income growth rate at 6.74% annually, based on Meghalaya GSDP growth (footnote 3), and converted using the SWRF.

5. **Cost savings due to reduced numbers of repeat students.** There is an indirect capacity addition in student numbers from the release of seats by students who do not need to repeat a class. The number of students who needed to repeat because of poor quality education and lack of interest due to the meagre school infrastructure and facilities has been declining with the continuous improvements instituted through the project. The benefit comes as savings in terms of avoided expenditure that would have been necessitated to create additional space or capacity because of repeating students. The average pass rate in Meghalaya for SHS is 72.4% (calculated as the average of the 2014 and 2020 pass rates at 67.1% and 77.6%, respectively). The number of repeat students is derived by applying the pass rate to the annual number of students benefitted (See paragraph 4). Cost savings is calculated as the average annual recurrent expenditure per SHS student at ₹36,679 in 2021 (adjusted from ₹25,000 in 2014) multiplied by the number of repeat students.

6. **Enhanced earnings of new students due to quality education.** As a result of the project, more HS schools are established, and more students are gaining access to quality education. It is estimated that additional seats are open which is equivalent to 2,340 additional students, of which 20% or 468 are in the HS levels. Upon placement after graduation the expected average annual salary is the same as with the average of a semi-skilled and unskilled service worker at ₹105,072. The net gain due to improved quality of education is equivalent to ₹25,872 (See para. 4).

7. **Enhanced earnings due to TVET skills training.** Two project activities have resulted in increased placement of persons trained in jobs. The first relates to skills development training programs conducted during the project period for 25,000 youth (40% women). The second involves the integrated vocational training in new trades, which resulted in considerable scope for employment, including self-employment. There has been a 20.68% job placement and another 50.31% self-employment of the 14,610 (58.44% of target 25,000) trained so far. The target is seen to be achieved by 2023. Benefit arises from the average gain in wages for TVET certificate holders higher by 17% (at ₹30,270) compared with the net gain in earnings of SHS graduates (at ₹25,872).⁶ Wages are subject to real increase based on GSDP and converted to economic price using SWRF.

8. **Wage loss during period of study.** Students and trainees will not have the opportunity to earn income while attending school. The potential loss of income during the period of study is

⁴ Estimated based on the total number of students at 28,104 who took the exams for grades IX, X, XI and XII in 2012 in Meghalaya.

⁵ These 1,589 students comprise those who enrolled in 2021 in the 26 schools (out of the 117 target schools) that were upgraded to grades 11 and 12.

⁶ <https://biz30.timedoctor.com/average-salary-in-india/>

estimated for new students and trainees. The loss is valued at the potential net gain measured as the difference between semi-skilled and skilled wages and converted to economic price using SWRF.

9. The assumptions used in the benefits valuation at completion are given in Table A10-1. Table A10.1.A shows the assumptions used at appraisal analysis.

Table A10.1: Base Case Assumptions

Particulars	Unit	Amount
Schools benefitted by project	no.	117
Annual wage of semi-skilled service-employed (at ₹423/22d-mo)	₹/yr	111,672
Annual wage unskilled service employed (at min/₹373/22d-mo)	₹/yr	98,472
Ave annual wages of unskilled & semi- service employed	₹/yr	105,072
Ave wage agricultural worker (at min/₹300/22d-mo)	₹/yr	79,200
Ave annual net gain per student due to quality education	₹/yr	25,872
Student capacity in 117 schools in SHS	no.	28,080
Average pass rate Meghalaya in SHS	%	72.4%
Annual average cost savings per student 2021	₹/yr	36,679
Additional student capacity created in HS (1/3 HSs in 3 districts)	no.	2,340
Additional HS capacity to be utilized by new students	%	20%
Additional HS capacity to be utilized by new students	no.	468
Real growth rate in income (ave GSDP until 2020)	%	6.74%
ITI-TVET trainees	no.	25,000
Average gain in wage with ITI-TVET certification over SHS	%	0.17
SWRF	Rate	0.79

d-mo = days per month, HS= higher secondary, ITI = industrial training institute, SHS = secondary and higher secondary, SWRF = shadow wage rate factor, TVET = technical and vocational education and training.

Table A10.1.A: Base Case Assumptions

Particulars	Unit	Amount
Net gain in income per capita (%) due to better education	rate	5%
Average annual net gain due to better education	USD	207.85
Net annual gain per capita	USD	10.39
Student Capacity in 117 schools in SS & HS	no.	23,400
Average Pass Meghalaya in SS & HS	rate	67.6%
No of students appearing exam (10th & 12th)	no.	28,104
Rate of growth of students (annual)	rate	5%
Annual average cost saving per student	₹	25,000
Additional Students Capacity Created in HS	no.	2,340
Additional HS capacity for new students (assuming 1/3 HS)	rate	468
Growth Rate of income	rate	7%
Additional annual income due to 12th std education	USD	304.96
Capital Cost Inflation	rate	5%

HS = higher secondary, SS = secondary school, std = standard, USD = United States dollar

10. The upgrading of 117 schools to RMSA (or national standards) has created direct and indirect capacity for more students to receive quality SHS education. Refurbishments through innovative retrofitting, aspirational infrastructure, introduction of new trades in industrial training institutes and upgradation of learning facilities, including provisions for laboratories and information and communication technology-enabled e-learning pilots, led to increased intake of additional students (direct capacity increase). Upgradation led to increased enrolments in the four SHS class indicated by a CAGR at 3%. Class IX enrolment was 8,644, CAGR, 1.5%; Class X, 6,632, CAGR, 1.5%; Class XI, 3,323, CAGR, 5.2%; and Class XII, 3,073, CAGR, 5.9%. SHS enrollment increased from 83% in 2018 to 85% in 2019, but dropped to 82% in 2020, due

largely to the pandemic lockdown restrictions that continued until September 2020, resulting in inconsistent attendance as most students were unable to attend school.

11. Barrier to employability of the youth in the organized sector: Another dimension that has acted as a barrier to the employability of the state's youth in the organized sector is the comparative lower levels of education indicators, coupled with the fact that certain traditions like community ownership of land and a strong attachment to the land perhaps resulting in hesitation of the local youth to migrate to other parts of the country to obtain employment. This is further exacerbated by the fact that owing to its remote location, hilly terrain and poor infrastructure, the state finds it difficult to attract private investment. When employment in the organized sector is scarce, the bulk of the local labor force turns to self-employment for sustenance. Thus, skills development becomes a necessity to increase opportunities for self-employment and to enhance incomes of the self-employed. The project is assessed to have contributed to the efforts to address such barriers as reflected in Table A10.2.

Table A10.2: Average Wage Earnings in Meghalaya as compared with All-India (₹)

Area	Q4-2017	Q4 -2018	Q4-2019	Q2- 2020
Meghalaya	20,276.09	16,711.89	14,978.96	18,734.32
India	16,566.44	15,917.63	16,135.75	17,600.17

Q = quarter

Source: Ministry of Statistics and Program Implementation, Government of India

12. From the table, it may be seen that the growth trend in average wage earnings in Meghalaya has regained pre-pandemic levels towards project closure in 2020, even surpassing the average for all-India.

C. Economic Costs

13. The financial costs incurred from 2014 to 2021 are adjusted to 2021 prices using domestic inflation. The costs comprise civil works, goods, consulting and recurrent costs. All financial costs are converted to economic costs after excluding taxes. Economic costs are estimated using domestic price numeraire. Actual financial investment cost at ₹7,294 million is converted to economic costs using the shadow exchange rate factor (SERF) of 1.04 for tradable goods, standard wage rate factor of 0.79 for unskilled labor, and a conversion factor of 1.0 for skilled labor and non-tradable goods. SERF is computed based on international trade data of the last five years.⁷ The converted economic investment cost amounts to ₹7,213 million as shown in Table A10.3.

Table A10.3: Economic Project Cost Conversion (₹ million)

Item	Financial Base Cost	Foreign Cost	Local Cost	Unskilled Labor 10%	Foreign x SERF 1.04	Unskilled x SWRF 0.79	Non-trade & Skilled 1.00	Economic Project Cost
Civil Works	3,811	381	3,430	343	397	270	3,087	3,754
Goods	1,652	496	1,157	116	516	91	1,041	1,648
Skills	876	175	701	70	182	55	631	868

⁷ SERF is updated based on ADB guidelines and international trade data for the last five years (FY 2015–16 to FY 2020–21).

Consultants	617	123	493	49	128	39	444	611
Recurrent	338	-	338	34	-	27	305	331
Total Project Cost	7,294	1,175	6,119	612	1,223	482	5,507	7,213

SERF = shadow exchange rate factor; SWRF = shadow wage rate factor.

Source: Asian Development Bank.

14. Annual operations and maintenance (O&M) cost in domestic prices is based on actual operating expenditures incurred in 2021 as reported by the Meghalaya State Skills Development Society. Annual O&M cost is projected to increase starting 2022 based on CAGR at 14.2%.⁸

D. Economic Internal Rate of Return and Sensitivity Analysis

15. Economic reevaluation is conducted using the updated assumptions consistent with those at appraisal. The reevaluated base case EIRR is estimated at 23.78% with ENPV at ₹7,769.4 million, higher than appraisal EIRR at 18.6% and ENPV at ₹3,033 million. This is mainly due to reduced investment cost based on lower actual disbursements during implementation, and on updated benefits assumptions that return values in terms of average pass rate, average cost savings per student, and annual net gain due to higher quality education (Table A10.1.A). The application of SWRF also contributed to higher unskilled labor values. The cost-benefit analysis is given in Table A10.4.

Table A10.4: Economic Cost-Benefit Analysis (in ₹ Million)

Year	Costs			Benefits						Net
	Capital	O&M	Total	Higher earnings from quality student education	Cost savings due to reduction in repeat students	Higher earnings by new students	Higher wages for TVET & ITI skills training	Wage loss during study period	Total	
2014	43.6	-	43.6	-	-	-	-	-	-	(43.6)
2015	171.9	-	171.9	-	-	-	-	-	-	(171.9)
2016	439.9	-	439.9	-	-	-	-	-	-	(439.9)
2017	858.2	-	858.2	-	-	-	-	-	-	(858.2)
2018	1,596.3	-	1,596.3	-	-	-	-	-	-	(1,596.3)
2019	1,215.5	-	1,215.5	-	-	-	183.5	(15.9)	167.6	(1,047.9)
2020	2,703.5	-	2,703.5	-	-	-	213.8	(15.9)	197.9	(2,505.6)
2021	183.9	7.7	191.6	56.9	13.4	17.0	440.7	(15.9)	512.0	320.4
2022	-	8.8	8.8	76.8	18.0	18.1	697.2	(15.9)	794.2	785.4
2023	-	10.1	10.1	290.5	68.3	19.4	1,210.4	(15.9)	1,572.6	1,562.5
2024	-	11.5	11.5	620.1	145.7	20.7	1,292.0	-	2,078.5	2,067.0
2025	-	13.1	13.1	1,323.9	311.1	22.1	1,379.0	-	3,036.1	3,023.0
2026	-	15.0	15.0	1,413.1	332.1	23.6	1,472.0	-	3,240.7	3,225.7
2027	-	17.1	17.1	1,508.3	354.4	25.1	1,571.2	-	3,459.1	3,442.0
2028	-	19.5	19.5	1,610.0	378.3	26.8	1,677.1	-	3,692.3	3,672.8
2029	-	22.3	22.3	1,718.5	403.8	28.6	1,790.1	-	3,941.1	3,918.9
2030	-	25.4	25.4	1,834.4	431.0	30.6	1,910.8	-	4,206.7	4,181.3
2031	-	29.0	29.0	1,958.0	460.1	32.6	2,039.6	-	4,490.3	4,461.3
2032	-	33.1	33.1	2,090.0	491.1	34.8	2,177.0	-	4,792.9	4,759.8

⁸ Expenditure from ADB State Share 2014–2021, MSSDS Report, state government of Meghalaya, 2022.

2033	-	37.8	37.8	2,230.8	524.2	37.2	2,323.8	5,116.0	5,078.2
2034	-	43.2	43.2	2,381.2	559.5	39.7	2,480.4	5,460.8	5,417.6
2035	-	49.3	49.3	2,541.7	597.2	42.4	2,647.6	5,828.8	5,779.6
2036	-	56.2	56.2	2,713.0	637.5	45.2	2,826.0	6,221.7	6,165.5
2037	-	64.2	64.2	2,895.8	680.5	48.3	3,016.5	6,641.1	6,576.8
2038	-	73.3	73.3	3,091.0	726.3	51.5	3,219.8	7,088.7	7,015.4
2039	-	83.7	83.7	3,299.3	775.3	55.0	3,436.8	7,566.4	7,482.8
2040	-	95.5	95.5	3,521.7	827.5	58.7	3,668.5	8,076.4	7,980.9
2041	-	109.1	109.1	3,759.1	883.3	62.7	3,915.7	8,620.8	8,511.7
2042	-	124.5	124.5	4,012.5	942.8	66.9	4,179.6	9,201.8	9,077.3
2043	-	142.1	142.1	4,282.9	1,006.4	71.4	4,461.3	9,822.0	9,679.9
								ENPV =	7,769.4
								EIRR =	23.78%

ITI = industrial training institute; TVET = technical and vocational education and training.
Source: Asian Development Bank.

16. Sensitivity analysis is performed to test the impact of adverse economic and technical conditions on project efficiency at completion. These include (i) 10% increase in O&M cost, (ii) 10% decrease in benefits, (iii) combined (i) and (ii), (iv) reduced number of students per class from 60 to 50, and (v) reduced number of repeat students by 10% resulting in less slots to maintain and thus lower cost savings. The increase in O&M cost marginally impacts the EIRR at 23.77%. The EIRR is highly sensitive to a decrease in benefits at 22.54% and is only marginally higher than the EIRR of the combined increase in O&M cost and decrease in benefits, at 22.53%. An increase in pass rate (i.e., the inverse of decrease in repeat students) results in EIRR at 23.49%. The worst-case scenario is a reduction in number of students per class from 60 to 50 resulting in EIRR at 8.64%. Table A10.5 presents the sensitivity results summary.

Table A10.5. Sensitivity Analysis Results

Scenario	EIRR	ENPV
Base Case	23.78%	7,769.41
O&M cost + 10%	23.77%	7,760.80
Benefits - 10%	22.54%	6,635.26
O&M + 10% and Benefits - 10%	22.53%	6,626.66
Students per class from 60 to 50	8.64%	(1,214.52)
Pass rate increase by 10%	23.49%	7,483.00

EIRR = economic internal rate of return, ENPV = economic net present value, O&M = operation and maintenance

Source: Asian Development Bank.

II. Financial Analysis

A. Introduction

17. Meghalaya is a 'special category' state of India, and has therefore, been getting special fund transfers from the central government. Because of its high dependence on central funding, the state government of Meghalaya has been feeling short in fiscal space to provide for the needed increased funding for SHS education or skills training, thus warranting external support for the purpose, which the SHCDM project aptly fulfilled.

B. Fiscal Analysis for the Period 2007/2008 to – 2016/2017

18. Spending by the state government of Meghalaya on education during 2007–2012 was 8%–10% of the state budget, except for 2009/2010, when it fell to 6.1%. While the overall education budget has increased, as a percentage of the state's gross domestic product the amount allocated to education had declined because of larger increases in the allocations to other sectors. In 2012/2013, \$62.9 million was allocated for education, equal to about 8.9% of the state budget. The state budget separated spending on SHS education for the first time in 2011/2012; and it equaled \$8.8 million. The allocation for SHS education as a share of total education spending is estimated to be 14.3% during 2013–2017, which is inadequate in view of the current weaknesses elaborated in the Sector Assessment. Table A10.1 presents the budget analysis.

A10.6: Education Budget Analysis for the Period 2007–2017

Indicator	Education Budget Analysis					Project Implementation Period				
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/2016/2017	
State GDP ^a (\$ million)	1,194.2	1,291.8	1,384.8	1,477.8	1,570.8	1,663.8	1,756.8	1,849.8	1,942.8	2,035.8
State GDP growth rate (%)	8.4	8.1	7.2	6.7	6.3	6.6	6.5	6.6	6.6	6.6
State budget (\$ million)	224.0	300.0	420.0	446.0	545.4	707.0	741.8	826.4	826.4	995.7
Education budget (\$ million)	20.0	28.8	25.5	35.8	54.4	62.9	69.4	77.4	77.4	93.2
SHS budget (\$ million)	NA	NA	NA	NA	8.8	8.0	10.0	11.1	11.1	13.4
Education as a proportion of the state budget	8.9%	9.6%	6.1%	8.0%	10.0%	8.9%	9.4%	9.4%	9.4%	9.4%
SHS education as a proportion of the education budget	NA	NA	NA	NA	16.2%	12.7%	14.3%	14.3%	14.3%	14.3%

GDP = gross domestic product, SHS = secondary and higher secondary, NA = not applicable.

Source: Government of Meghalaya and Asian Development Bank.

C. Current Scenario

19. For the year 2020/21, the amount of tax transfers from the Union Government has been reduced dramatically, owing to the economic impact of the pandemic. The budget estimates were ₹5,999 crore, while the revised estimates were ₹4,207 crore, a shortfall of ₹1,792 crore. Despite this severe shortfall, the Government has prudently managed the State finances and has ensured availability of resources to all critical sectors. The projections for the devolution of taxes for 2021/2022 is, however, encouraging. The Fifteenth Finance Commission submitted its final report to the Government of India covering the five-year award period 2021–2026. The Commission has recommended a total amount of ₹39,012 crore for the State. This includes the share of central taxes of ₹32,403 crore, the revenue gap grant of ₹3,137 crore, the grants to Autonomous District Councils of ₹711 crore, health grants of ₹311 crore and disaster management grants of ₹403 crore⁹. Against this, the state government has received for the current financial year (FY2021/2022), ₹5,851 crore as share of central taxes against the original estimates of ₹5,105 crore. Under the Special Capital Assistance Program, the Union Finance Ministry has also sanctioned ₹300 crore for taking up various capital projects. These additional funds are a

⁹ Excerpts from the Budget Speech of Meghalaya for the 2021/2022 budget.

welcome relief to the state government. The state's overall expenditure for the current financial year to touch an all-time high of ₹15,600 crore. This is a 13 percent increase over the expenditure of the previous financial year and a 58 percent increase over the expenditure in 2017/2018¹⁰. For FY2022/2023, the estimated the total expenditure is ₹18,881 crore, of which the revenue expenditure is estimated at ₹15,376 crore and capital expenditure at ₹3,505 crore (footnote 10).

20. **Additional allocation for upgrading school infrastructure.** A recent infrastructure audit of school facilities revealed that the classroom adequacy is only 11 percent at the elementary level. Further, 41% of elementary schools and 25% of Secondary and Higher Secondary schools need major building repairs. The state government has, in addition to the 208 schools that are already being upgraded, sanctioned another 500 schools to be taken up in 2021/2022, for which an allocation of ₹150 crore has been made. This augurs very well for the sustainability of the SHCDM project's initiative to upgrade school infrastructure. In addition, the state is also leveraging Government of India programs, under which sanctions have been obtained for setting up 40 Eklavya Model Residential Schools in all the blocks of the State at a cost of ₹960 crore. These schools are expected to transform the secondary education scenario in the State. As per FY2022–2023 budget, continuing with the focus on education, the process for constructing 39 'Eklavya Model Residential Schools' has started. 208 primary and secondary school buildings are being built with a cost of ₹109 crore and will be completed by December 2022. For 2022/2023, another 111 schools will be constructed with an estimated cost of ₹100 crore (footnote 10).

21. **Budget allocation for education in period 2015–2022.** For 2021/2022, state Government of Meghalaya has estimated the total receipts at ₹17,509 crore, of which the revenue receipts are estimated at ₹15,232 crore and capital receipts at ₹2,277 crore. Excluding borrowings of ₹2,247 crore, the total receipts are estimated to be ₹15,262 crore. On the expenditure side, the estimated the total expenditure is ₹17,603 crore, of which the revenue expenditure is estimated at ₹13,956 crore and capital expenditure at ₹3,647 crore. Excluding repayment of loans of ₹771 crore, the estimated total expenditure is ₹16,832 crore. An allocation of ₹980 crore for the Education sector has been made for 2021/2022, out which ₹453 crore is from State resources. The average allocation for education sector works out to about 5% of the total budget allocations. The Meghalaya expenditure on education on the revenue account from 2015 to 2022 is examined in Table A10.2 (footnote 10).

A10.7. Meghalaya Expenditure on Education – Revenue Account

(₹ in lakhs)

Items of Expenditure	2015/2016 Actual	2016/2017 Actual	2017/2018 Actual	2018/2019 Actual	2019/2020 Actual	2020/2021 Actual	2021/2022 BE
Primary Education	70,924.79	89,981.85	11,0431.84	131,619.82	131,019.25	119,340.31	109,260.14
Secondary Education	25,072.09	33,430.21	35,475.16	41,967.83	39,837.16	62,872.56	69,221.62
Technical	3,656.93	2,459.15	1,284.45	1,497.89	1,541.67	6,616.62	7,841.85
Total- (including technical, higher education, etc.)	128,288.74	160,813.54	173,518.63	210,535.67	202,032.17	290,027.31	266,075.96
Total Revenue Expenditure	634,772.75	833,653.65	842,268.14	102,5594.12	956,512.22	1,442,758.22	1,395,647.31
Total Budget	2,967,278.99	3,677,970.95	4,609,697.80	5,170,324.78	3,591,140.01	5,750,558.62	4,331,466.99

¹⁰ Budget Speech of Meghalaya for the 2022/2023 budget.

% Budget Allocation	4.3%	4.4%	3.8%	4.1%	5.6%	5.0%	6.1%
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(Source: Budget at a Glance, Meghalaya, 2021–2022)

22. A steady increase in the expenditure on education may be seen over the years, though the actuals for 2020/2021 and the budget estimate for 2021/2022 seem to have been affected to some extent due to the onset of the COVID-19 pandemic as shown in Table A10.7.

Financial sustainability of the SHCDM project

23. As education is a top priority of the state government, it has great bearing on every aspect of life in Meghalaya. Its reiteration in the budget speech for 2021/2022 ensures universal access to elementary and secondary education. State government has initiated various measures to improve the enrolment ratio of children in school. According to state government of Meghalaya, there was an increase in the Gross Enrolment Ratio during the year 2019/2020, compared to the previous years. The state is trying its best to keep up the allocations for education at about 6% (Table A10.7 even though the COVID-19 pandemic has contributed to the state's shrinking economy. In addition, it is also leveraging its share under special programs of the central government. All these actions herald the sustainability of the investments made under the SHCDM project (footnote 10).

SAFEGUARDS

Environment Safeguards Assessment

1. The Project was categorized as 'B' for environment in accordance with ADB's SPS, 2009 and remained same since commencement to closure. An environmental assessment and review framework (EARF) was prepared in February 2013 to guide the subproject selection, screening and categorization, environmental assessment, preparation of the safeguards plans and documents such the initial environmental examination (IEE) including environmental management plan (EMP) during implementation. The EARF was updated in December 2017 covering more clarity on functioning of the grievance redress mechanism applicable under the Project. One sample IEE report including the EMP was prepared and disclosed on the ADB website in February 2013, when the project was processed. The works were commenced for some of the sub-projects in absence of ADB-cleared IEE reports. It was flagged as a non-compliance issue with Safeguard Policy Statement (SPS) 2009, PAM, and the EARF. In response, a CAP was agreed between ADB and the EA, with support from the environment specialist, design supervision consultant (DSC) worked under the Project. A total of 131 IEE reports covering all sub-projects including EMPs were prepared, cleared, and disclosed on ADB website between May 2017 to December 2018. In addition, a field-based environmental due diligence examinations report (EDDR) was prepared for 11 sub-projects of which, the works were completed without preparation of IEE reports. The EDDR was prepared to assess the presence of any residual environmental impacts. EDDR confirmed that there were no residual environmental impacts at 11 completed sub-projects, and no complaints received from residents nor NGOs on the environmental aspects since the commencement until completion of works. An addendum to the IEE report was prepared to cover the Health and Safety Plan in response to COVID-19 pandemic. This ADB-cleared addendum was linked with all IEE reports under the Project and disclosed on ADB website in June 2020. The various aspects associated with implementation of environmental safeguards under the Project have been detailed below.

A. Statutory Environmental Compliance

2. None of the sub-projects required environmental clearance under the environmental regulations of India. Further, the forest clearance, and tree cutting permissions were also not applicable for any of the sub-project. The construction materials were procured from quarries and mines, construction water, and construction plants that were compliant with environmental regulations of India. Also, the labor licenses were obtained and renewed in accordance with the labor laws of India, and the project personnel were adequately insured by the contractors and their sub-contractors during implementation of the Project.

B. Institutional Arrangements

3. Initially during commencement of the Project, the environment and social management cell (EMSC) was not established within the PMU and PIU-4 (Public Works Department-PWD), whereas with ADB's follow-up and highlighting the requirements, it was established and continued to remain functional till closure of the Project. The Project Director along with a nodal officer from PIU-4 had been designated to manage the environmental safeguards related issues as additional responsibilities under the Project. The EMSC was supported by two full-time environment specialists of the DSC, and project management consultant (PMC). The environmental specialist of DSC was responsible for undertaking the environmental screening of proposed works, preparation and/or updating of the IEE reports including the EMP reports for each sub-project in line with the ADB-cleared EARF and SPS, 2009. The environmental specialist of PMC was

responsible for reviewing of environmental safeguards related documents (such as the EARF, IEE reports, and EMRs) before submission to ADB for review and clearance. Further, the DSC and PMC were responsible for EMPs implementation during the execution of the project. Also, two environmental support staff (one each for Khasi, and Garo regions with ability to communicate in local languages) for day-to-day activities related to EMPs implementation had been mobilized for one year to assist the environment specialist, DSC under the Project. The designated managers (as additional responsibility) from the PIU-4 at field levels were responsible for environment and social safeguards related aspects of the Project. The civil works contractors had designated their existing site staff (having additional responsibility) as environment and safety officers (ESO). These designated ESOs were trained by the environment specialists of DSC and PMC. The PMC and DSC contracts closed on 31 May 2019, and 31 December 2019 respectively. Subsequently, the Project Director was assisted by PIU-4 for EMPs related issues for completion of spill-over works and operation stages of the project. Overall, institutional arrangements and required inputs from environment experts of DSC and PMC varied from less than to generally adequate during implementation of the project.

C. Implementation of Environmental Management, Monitoring and Reporting

4. The ADB-cleared EMP was included in respective civil works contracts. The contractor's staff were provided training to understand the requirements elaborated in the EMPs. Further, separate focused training programs on environmental safeguards for the contractors, and PIU-4 (field staffs, PWD) were organized by the DSC and PMC. Some of the issues such as lack of (a) safety measures at construction sites; and (b) basic amenities to laborers including adequate housekeeping practices at construction camps were noted during initial stage of the project. The testing of environmental parameters (ambient air quality, water qualities, and ambient noise levels) improved with regular guidance from the ADB. The project staff increased the frequency of informal consultations with the locals to disseminate project benefits, and address problems encountered by the public along the sub-projects during implementation of the Project. As per loan covenant, the semiannual EMR was required since commencement to closure of the project. There was irregular submission of semiannual EMRs since commencement (July 2014) to December 2016 due to lack of (a) mobilization of environment specialists of DSC and PMC; and (b) clarity on safeguards requirements to the Project staff (EA/IA, consultants, and contractors) worked under the Project. Later, with ADB's continuous follow-up and hand-holding support, the submission of EMRs were regular from January 2017 to December 2021. A total of 10 EMRs, in place of 14 reports (since July 2014 to December 2021) capturing the EMP implementation including public consultations during the construction and operation stages were submitted by the EA and were disclosed on ADB website. There were limited and temporary impacts (such as the increase in noise levels, and dust generation etc.), which were managed with good construction practice, and implementation of ADB-cleared EMPs. The environmental performance of the project was lacking due to limited institutional arrangements under the project. However, it improved over the period with increased monitoring and coordination by ADB with the project staff. Overall environmental safeguards compliance management for EMPs implementation varied from less than adequate to generally adequate.

D. Grievance Management System

5. The grievance redress mechanisms were established and functional at PMU and PIUs levels for effective and timely redressal of environmental safeguards related issues till closure of the project. The complaints related to environmental safeguards were not received by the implementing agency since commencement to closure of the project.

E. Overall Improvement in Environmental Conditions

6. The skill development in Meghalaya has been emphasized the human capital development through improvement in school education, especially the secondary higher school education, and focus on results-oriented skills development. With the project, there are improvements in basic facilities (such as the safe, and hygienic learning environment for the students, classrooms refurbishment with better ventilation and adequate natural light arrangements, improved furniture and teaching aids (e.g., display boards, computers, and projectors), rain water harvesting, and water purification facilities, overall improvement of sanitation arrangements including the toilets upgradation and separate toilets for girls/women) and solid waste management within identified sub-projects in the state of Meghalaya. In the absence of environmental data on the baseline conditions from the implementation and operation phases, assessment and quantification of actual environmental, health, and safety benefits cannot be ascertained.

F. Lessons Learned

7. There were delay in IEE reports preparation, and EMRs submission during implementation of the Project. Also, the works at 11 sub-projects were completed without IEE reports preparation. The lesson learnt to improve the environmental performance of the Project, were (a) an early mobilization of environment specialists, consultants; and (b) clarity on safeguards requirements to the project staff (EA/IAs, consultants, and contractors) since commencement to closure.

G. Status of Compliance with Environmental Loan Covenants

8. Most of the environmental loan covenants were complied with, except few during implementation of the project. Assessment of Social Safeguards Implementation.

H. Social safeguards implementation arrangements

9. No environment and social management cell (EMSC) was established in initial period at PMU and PIU-4 (Public Works Department-PWD), however with ADB's advice and project requirements, it was established and functional later throughout the project. The project director along with a nodal officer from PIU-1 had been designated, as an additional responsibility to manage the social safeguards related issues under the project. Further, it was supported by designated managers (as additional responsibility) from the PIU-4 (PWD) at field levels. The EMSC was supported by two social specialists of the design and supervision consultant (DSC), and project management consultant (PMC) responsible for environment and social safeguards related aspects and requirements of the project. The NGO was also mobilized for awareness building under the project. The overall institutional arrangements for the management of social safeguards are assessed as *generally adequate* during implementation of the project.

G. Social safeguards

10. The project was categorized "C" for the involuntary resettlement (IR) and "B" for Indigenous Peoples (IP) at appraisal in accordance with ADB's Safeguard Policy Statement (SPS), 2009. It continued to remain "C" for IR and "B" for IP during implementation until the closure of the project. The sub-projects did not cause any land acquisition or temporary/permanent physical and economic displacement, and works were carried within the available government land and/or existing building. On the positive impact on Indigenous People and community, the executing agency monitored and reported on the social safeguards throughout the

implementation of the project. The project staff (executing agency, and consultants) carried out meaningful consultations, upgrading of government-aided private schools, improved the learning environment, improvement of skill development, increased awareness and participation in periodic consultations with the local communities in culturally appropriate manner, and maintained a functional grievance redress mechanism (GRM) during implementation of the project. No grievances pertaining to social safeguards related aspects were reported during execution of the project. Overall, the implementation of social safeguards for the project is assessed to be *in compliance* with SPS 2009.

11. The school management committee relating to the upgradation of school infrastructure were consulted by the executing agency during design stage of the project. Also, consultation was done for (a) required ramp in different sub-projects to address the need of the differently able person; (b) separate toilet for boys and girls; and (c) girl activities rooms to address the need of female students. The PMC's social safeguard and social development (gender) was merged and carried out by single resource to monitor the indigenous peoples plan (IPP) implementation, conduct training and sensitization workshops, assist the PMU and PIUs in established system to monitor the implementation of the IPP, and prepare periodic safeguard monitoring reports. The NGO was mobilized for awareness building under the project. The main role of NGO was to conduct advocacy and social mobilization campaigns to enhance appreciation and understanding about the importance of education (especially, secondary and higher education) and vocational training, and the various opportunities within and outside Meghalaya. It followed consultative and participatory process and assisted in fulfilling the targets laid down in the community participation plan, gender action plan and the indigenous peoples' plan prepared under the ADB project.

H. Information disclosure, Grievance redress, and Monitoring

12. Information disclosure, participation, and periodic consultation activities for the implementation of social safeguards were carried out by the executing agency. The grievance redress committees were established in accordance with the agreed Indigenous Peoples Plan to address any project-related grievances pertaining to social safeguards at PMU and PIUs levels and continued to be functional till closure of the project. The executing agency confirmed that no grievances related to social safeguards were received during implementation of the project. The executing agency monitored and reported on the social safeguards throughout implementation of the project. Overall, the implementation of social safeguards for the project is assessed to be *in compliance* with SPS 2009.

I. Conclusion and lessons learned

13. During the implementation extensive consultations with people, youth, females, communities and support by the local governments enabled the successful implementation and completion of the project. 14,510 tribal students trained out of total 14,610 trainees by 12 skill training providers under the project in which most students were recruited by service sector provider; whereas other started/upgraded their self-employment on various field. Upgradation of school infrastructure and NGO's awareness building performed well, and the output (such as the admission for secondary and higher secondary) was *substantially increased*. The suggestions and guidance provided by ADB from time to time were implemented by the executing agency, which supported in proper implementation and documentation of social safeguard requirements.

LEARNING ASSESSMENT

1. Learning assessments have been widely discussed in the context of impact of education on the learners. Learning Assessments are in the nature of independent evaluations of students' performance in different subjects carried out by national and international agencies. Such assessments constitute an important mechanism for establishing and monitoring education quality at the system level. They often assess the key learning domains such as Literacy, Math and Science. Assessments are conducted both cross-nationally and at national level in order to establish and describe the knowledge and skills of a particular population (sample or census) in a learning domain; to monitor progress in learning outcomes over time or between grades; to investigate associations between achievement and contexts in which learning takes place; to quantify differences in learning outcomes between sub-populations (e.g. girls and boys); to report, in the case of census-based assessments, school or individual level results (UIS, 2017).

2. Some of the well-known and large international assessments

- **PIRLS:** The Progress in International Reading Literacy Study (PIRLS) is one of the core cycles of studies for the International Association for the Evaluation of Educational Achievement (IEA). PIRLS assesses students at Grade 4. PIRLS enables participating countries to make evidence-based decisions for improving educational policy. (<http://timssandpirls.bc.edu/index.html>).
- **PISA:** The Program for International Student Assessment (PISA) is a triennial international survey which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students. Students took the two-hour test and were assessed in science, mathematics, reading, collaborative problem solving and financial literacy. (<https://www.oecd.org/pisa/aboutpisa/>).
- **TIMSS:** The Trends in International Mathematics and Science Study (TIMSS) is the other core cycle of studies for IEA – the International Association for the Evaluation of Educational Achievement. TIMSS assesses students at grades 4 and 8. TIMSS enable participating countries to make evidence-based decisions for improving educational policy. (<http://timssandpirls.bc.edu/index.html>).

3. While most large-scale assessments such as PISA and TIMSS have remained largely about testing the main learning domains, there have been attempts recently by some learning assessments to test students' attitudinal and the ensuing behaviour resulting out of students' knowledge and attitude towards an issue or idea such as cultural diversity, global citizenship, peace, etc.

4. A **cross-national assessment** refers to an assessment of students' learning outcomes at a particular age or grade level and provides feedback on a limited number of outcome measures considered significant in the context of the education system. A cross-national assessment uses its own assessment framework, standards and guidelines in administration and reporting. The data are usually collected and processed in a standardized way such that the results can be comparable or can be used in comparative analyses. Assessments such as EGRA¹, EGMA²,

¹ The Early Grade Reading Assessment (EGRA), developed by RTI International and supported by USAID and World Bank, is used to assess the acquisition of reading among primary school children in low-income countries.

² The Early Grade Mathematics Assessment (EGMA), developed by RTI International and supported by USAID and

Uwezo³ and ASER are classified as cross-national assessments because they are using cross-national tools for national evaluations. The data collected might not be comparable, but they could be used for comparative studies.

5. **ASER**⁴: The Annual Status of Education Report (ASER) is an annual, citizen-led nationwide survey of the ability of children (in school or out-of-school), aged 6 to 16 years-of-age, to read a simple text and do basic arithmetic. (<http://www.asercentre.org/>). It is a **citizen-led assessment**, which means that it is an assessment that is citizen driven and accountable to the public. It aims to improve competencies in literacy and numeracy among children using an innovative approach to social change. Like ASER and Uwezo, citizen-led assessments are household-based assessments and are conducted in representative sample of households on a target population (e.g., children ages 5-16 who could be in school or out-of-school). These assessments are usually conducted within a country and could be adapted and used in another country but without comparability, although comparative analyses could be conducted. The cognitive data and household information collected are used for the monitoring of progress of target population over time in country and to ensure accountability.

6. **National assessment**: A national assessment is generally administered to a sample of students, and collects background information (from students, teachers and parents) to inform policymaking at the national, subnational and local levels. **The National Achievement Survey (NAS)**, carried out by the National Council of Educational Research and Training (NCERT) of the Ministry of Education of the Government of India, provides assessments of performance of students for grades 3, 5 and 8 in India in language, mathematics, science and social science. Such figures are available by states.

7. The following remarks of the External Evaluation (2020) of the SHCDM project appear relevant for discussion at this point. "The chalk-and-talk nature of secondary science education is a poor method of teaching in the 21st century. Today, science teaching is more based on inquiry-oriented⁵ methods. Such efforts would become more effective only if science teachers are supported with adequate laboratory facilities, science equipment and with high quality technical support. Higher levels of technical support will be required to implement a more inquiry-oriented and authentic science curriculum. Failure to implement a more engaging secondary science curriculum will see the continued drift of students away from the sciences in the secondary schools with serious consequences for higher education science enrolments and the quantity of trained professionals in science, engineering and technology that are needed for the economic development of the region. The situation in Meghalaya at the start of the project reflected mostly the above picture with regard to science teaching and as a result the math and science scores of SHS students were much lower compared to the national average. This is now set to improve as indicated in the next para.

World Bank, is used to assess the acquisition of basic numeracy among primary school children in low-income countries.

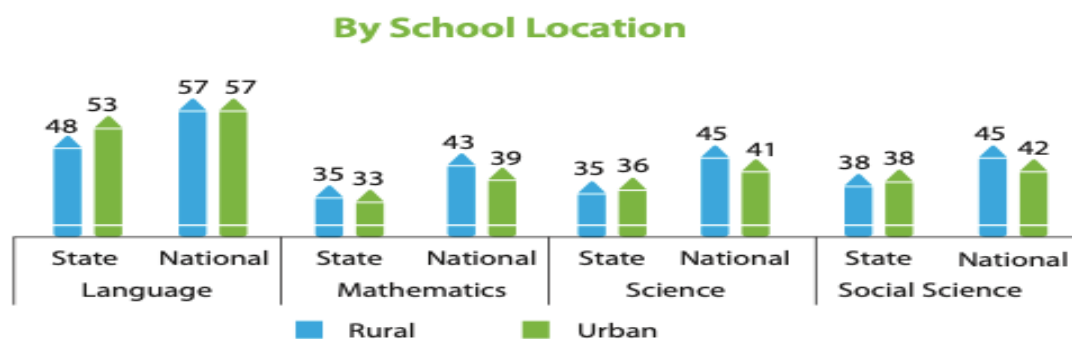
³ Uwezo is an annual, large-scale, citizen-led assessment that aims to improve competencies in literacy and numeracy among children aged 6 to 16 years old in Kenya, Tanzania and Uganda. (<http://www.uwezo.net/>).

⁴ Every year from 2005 to 2014, the Annual Status of Education Report (ASER) report has provided district, state, and national estimates of the status of children's schooling and foundational learning across rural India... Children in the age group 5 to 16 were assessed one-on-one to understand their basic reading and arithmetic abilities... Starting its second decade of existence in 2016, ASER switched to an alternate-year cycle, where the 'basic' ASER described above is conducted every other year (2016, 2018)... Excerpts source: - ASER Centre B-4/58 Safdarjung Enclave New Delhi 110 029.

⁵ Tytler, R. (2007). *Re-imagining science education: Engaging students in science for Australia's future*. Australian Education Review. Camberwell, Victoria: ACER.

8. The **National Achievement Survey (NAS) in 2017** for Meghalaya for class 8 shows the realistic picture of science education in the state. Meghalaya students' performance in both urban (35%) and rural (34%) areas is below the national average pass percentage of 39 and 43 respectively. The learning outcome for learners in grade 8 in science also indicates difficulty in grasping scientific concepts and principles. This difficulty, as explained earlier, can be due to lack of laboratory which gives the opportunity for students to grasp how scientific principles work. *It can be expected that with such facilities provided and through effective teacher training in science subjects, the overall science performance in secondary levels would improve.*"

Figure A12.1: Class 8 Students performance in Science by Location, NAS, 2017



Source: National Achievement Survey (NAS), 2017.

The following table of NAS gives details of learning outcomes in Science in Class 8 in Meghalaya.

Table A12.1: Learning outcome in Science in Class 8 in Meghalaya, NAS, 2017

Science		
SCI703	Classifies materials and organisms based on properties/ characteristics	42
SCI704	Conducts simple investigation to seek answers to queries	37
SCI705	Relates processes and phenomenon with causes	33
SCI708	Measures and calculates e.g., temperature; pulse rate; speed of moving objects; time period of a simple pendulum, etc	27
SCI710	Plots and interprets graphs	29
SCI711	Constructs models using materials from surroundings and explains their working	25
SCI801	Differentiates materials, organism and processes	42
SCI804	Relates processes and phenomenon with causes	38
SCI805	Explains processes and phenomenon	32
SCI807	Measures angles of incidence and reflection, etc	33
SCI811	Applies learning of scientific concepts in day-to-day life	28
SCI813	Makes efforts to protect environment	38

(Source: NAS, 2017).

Possible learning loss during school closure in Meghalaya due to COVID-19

9. A major challenge was posed to continuity of learning in Meghalaya by COVID-19 and the consequent school closure. However, the PIUs managed the situation by taking measures, such

as use of online learning platforms and E-Scholar Portal. While such steps would have no doubt continued the learning momentum, it is equally important to know the extent of learning loss that has ensued as a result of distance learning as against learning in person in classrooms. This information would be helpful in doing the curriculum revision for the next session when the schools reopen and/or as part of curricular revision for education quality improvement in SHS of the state. And this can best be done by commissioning learning assessment at the state level for grade 3 and 8 levels.

TECHNICAL ASSISTANCE COMPLETION REPORT

TA Number, Country, and Name: TA 8468-IND: Capacity Building for Supporting Human Capital Development in Meghalaya		Amount Approved: \$2,000,000	
		Revised Amount: Not Applicable	
Executing Agency: Department of Finance, Government of Meghalaya	Source of Funding: Japan Fund for Prosperous and Resilient Asia and Pacific (JFPR, previously Japan Fund for Poverty Reduction)	Amount Undisbursed: \$216,519.65	Amount Used: \$1,783,480.35
TA Approval Date: 27 September 2013	TA Signing Date: 23 January 2014	TA Completion Date	
		Original Date: 31 January 2016	Latest Revised Date: 31 July 2019
		Financial Closing Date: 30 April 2022	Number of Extensions: Four
TA Type: Capacity Development TA		TA Arrangement: The TA supported Loan 3033-IND: Supporting Human Capital Development in Meghalaya	

Description

Meghalaya's youth, who constitute 35% of the population, are unable to compete for jobs because of the weakness in the state's secondary and higher secondary (SHS) education system and skills development programs. It is estimated that 60% of the secondary schools do not have science laboratories, 72% do not have separate toilets for girls, while 27% do not have access to reliable drinking water. Only 36% of Meghalaya's teachers at the secondary level are trained as against the national average of 90%. The drop-out rate at the secondary level is high because of the poor learning environment in schools and the overall disconnect with the state's skills development and vocational training programs. While 90% of the employment opportunities require vocational skills, Meghalaya's education system continues to focus on rote learning. As most skills development programs are funded by central ministries, the Government of Meghalaya (GOM) has limited flexibility in tailoring them to meet the state's emerging priorities. These programs have become outdated since they are not linked with the private sector, i.e., the demand side. Their placement record is poor which adds to the general stigma associated with vocational and technical education and training. Human capital development was therefore an urgent priority for the GOM. The Twelfth Five-Year Plan of Meghalaya (2012–2017) highlights that education and skills development will be the cornerstone of development as these enhance people's productivity and employability and empower them to participate gainfully in market activity. To meet its goal of improving the quality of SHS education, the state government needs additional support to improve the infrastructure and learning environment in government-aided private schools, where majority of the students are poor. The state government established the Meghalaya State Employment Promotion Council (MSEPC) in August 2011 to provide overall policy direction for skills development. The Meghalaya State Skill Development Society (MSSDS) was established in December 2011 under the provisions of the Meghalaya Societies Registration Act, 1983. The MSSDS has the authority to receive funds from the government (central and state) and financial institutions, and to spend it for fulfilling its mandate as laid down by the MSEPC. The state government of Meghalaya needs to draw on best practices, capacity development support, and external funding to effectively operationalize the MSSDS. Given the state government's long-term vision and commitment, the Asian Development Bank (ADB) supported its efforts towards human capital development through Loan

3033-IND: Supporting Human Capital Development in Meghalaya. To ensure the successful implementation of the project, a technical assistance (TA) on capacity development was also provided.

Expected Impact, Outcome, and Outputs

The impact of the technical assistance (TA) was enhanced employability of Meghalaya's youth. The outcome was facilitating an environment created for promoting human capital development. This will be achieved through (i) results-oriented skills training, i.e., by catalyzing the private and public sectors to provide quality skills training which leads to placement (within or outside Meghalaya), and/or enhances the productivity and remuneration of the self-employed; and (ii) improved learning outcomes at the secondary (grades 9 and 10) and higher secondary (grades 11 and 12) levels, i.e., by strengthening the infrastructure of government-aided private schools and teacher training centers, incentivizing reforms in teaching and learning methods, and supporting training of SHS teachers. The key outputs of the TA were (i) strengthened capacity of the MSSDS (Project Implementation Unit PIU 2) for skills development; (ii) strengthened capacity of the Department of Education (DoE-PIU 1) for secondary and higher secondary education and teacher training; (iii) effective project management; and (iv) enhanced development effectiveness and training.

Implementation Arrangements

The Department of Finance, Government of Meghalaya (GoM) is the executing agency. The DoE, MSSDS, Department of Labor (DoL) and Public Works Department (PWD), state government, are the PIUs. Under the TA support, in total 27 consultants (3 firms and 24 individual consultants) were mobilized to provide 315.17 person-months (firm: 189.09 person-months; and individual: 126.08 person-months) of consultancy support in the areas of (i) capacity development; (ii) designing procurement packages for the operationalization of Skill Challenge Fund to suit Meghalaya specific needs; (iii) preparation of implementation plan for Meghalaya School Improvement Plan (MSIP) for improving learning outcomes in project schools; (iv) piloting bamboo craftsmen cluster as a proof of concept for native trades training under the project; (v) procurement of civil works, goods and consultancy services; and (vi) quality assurance of civil works, among others. Four changes in TA scope and implementation arrangements, and four extensions of TA closing date were approved to meet the emerging needs in a flexible manner. At completion, the TA utilized 89.19% of the funds. The TA activities were implemented over a period of 5 years and 10 months.

Conduct of Activities

The TA undertook key activities to support the achievement of the four target outputs. British Council (BC) was engaged as the capacity development firm under the TA. BC completed several activities to create an institutional framework for improving the quality and delivery of skills development and secondary education programs in Meghalaya, strengthening capacity of the PIUs, establishing MIS systems for effective planning and monitoring of interventions; and developed systems for addressing concerns about indigenous people and women in the project. **Output 1 - Strengthened capacity of the project implementing unit (PIU) for skills development to operationalize the MSSDM.** Activities under output 1 included need analysis of training providers under MSSDS, project management plan for operationalizing SCF, capacity building workshops for Skill Development Officers of MSSDS on procurement, evaluation and monitoring of private sector training providers, approach note on transit houses to cope with challenges of migratory employment among others. Activities for technical and vocational education included deficit analysis of Industrial Training Institutes (ITI), identification of industry relevant trades, capacity development of training officers among others. **Output 2 - Strengthened capacity of the Department of Education (DoE-PIU 1) for secondary and higher secondary education and teacher training.** Activities under output 2 included needs analysis of secondary and higher secondary schools, facilitating signing of memorandum of understanding with school management committees (SMC), identifying criteria for selecting teachers for teacher training intervention, preparation of approach note on teacher training, approach note on information and communication technology (ICT) intervention in schools among others. **Output 3 - Effective project management.** Activities under output 3 included the design and implementation of six monitoring and evaluation capacity development workshops for MSSDS and DoL covering data collection, data consistency and quality assurance, two workshops for ITI principals to strengthen capacity for institutional data collection, identification of key performance indicators for skills and vocational education components among others. **Output 4 - Enhanced development effectiveness and training.** Under

output 4 BC conducted 45 capacity building workshops for various PIUs. Manuals on data collection, teacher training, procurement, evaluation of project proposals of training providers, SMC reporting among others were developed. In addition, 24 individual consultants were mobilized to provide capacity development support to PIUs in the areas of designing procurement packages for operationalization of SCF to suit Meghalaya specific needs, preparation of implementation plan for MSIP for improving learning outcomes in project schools, piloting bamboo craftsmen cluster as a proof of concept for native trades training under the project, procurement of civil works, goods and consultancy services and quality assurance of civil works among others. During capacity development workshops conducted under the TA, JFPR logo was displayed prominently. Embassy of Japan (EoJ) and Japan International Cooperation Agency were consulted to present on success of the bamboo pilot in a workshop conducted by EoJ in Tripura.

Technical Assistance Assessment Ratings

Criterion	Assessment	Rating
Relevance	The TA was relevant at approval and at completion. Like the project loan, the TA was aligned with ADB and government plans and strategies on promoting human capital development. The TA was aligned with the Twelfth Five-Year Plan of Meghalaya 2012–2017 and still in line with India's current Country Partnership strategy (CPS) 2018–2022. The design of the TA was appropriate to complement the outputs and outcome of the associated project. The TA modality was also appropriate. Changes in the TA scope strengthened the TA activities and optimized implementation and benefits.	<i>Relevant</i>
Effectiveness	The outcome of the TA was facilitating an environment created for promoting human capital development. Several activities undertaken by BC supported creation of the capacity and ecosystem for successful implementation of project activities. The TA contributed to capacity building of MSSDS for successful implementation of project activities under SCF. Capacity development support provided to MSSDS which is output 1 contributed to operationalize the SCF and in developing a skill development plan highly relevant for Meghalaya with a balanced mix of manufacturing, service, integrated agriculture and native trades which was highly appreciated by state government. Consultancy support through Indian Institute of Technology, Guwahati for implementing bamboo cluster pilot established the proof of concept of marketability of products under native trades under SCF. Shoppers Stop, a leading retail outlet of India came forward to market products developed under the pilot across India. Taj Vivanta, a leading hotel chain purchased products from the bamboo cluster. This also resulted in the state government replicating other native trades like pottery and handloom on a larger scale utilizing loan funds under SCF. The TA contributed to capacity development of DoE. Implementation plan prepared under the TA for Meghalaya School Improvement	<i>Effective</i>

Criterion	Assessment	Rating
	<p>Plan (MSIP) was appreciated by the state government. MSIP is being implemented across Meghalaya Schools using State Government funds. The capacity development support provided under the TA in the areas of procurement, construction management, monitoring and evaluation contributed significantly to bringing project back on track in spite of serious start up delays. The capacity development support provided under the TA significantly reduced the procurement cycle. The first consultant package under SCF took 27 months. Subsequent 15 packages took 7 months on average. The first civil works package took 11 months. subsequent 10 packages took about 7 months on average. This contributed significantly to effective project management which is output 3. Under output 4, a total of 45 capacity development workshops were conducted which contributed to development effectiveness. All outputs and planned activities were achieved.</p>	
Efficiency	<p>The TA was effective in achieving the intended outcome and outputs of improved capacity of PIUs and timely addressing of project implementation issues. Four changes in TA scope and implementation arrangements, and four extensions of TA closing date were approved to provide continued handholding capacity support to expedite project implementation and to overcome capacity development constraints of the executing agency and implementing agencies. The effectiveness of capacity development support provided under the TA is demonstrated through the project achieving completion in 6 years 6 months (against the original implementation period of 5 years) despite various challenges like first time executing agency/implementing agencies, first human development project to a weak capacity state, challenging geographical terrain and serious start up delays. The TA resources utilization was efficient, focusing on key activities while responding to the executing agency requests.</p>	<i>Efficient</i>
Overall Assessment	<p>The capacity development support provided under the TA contributed to strong project implementation as detailed above.</p>	<i>Successful</i>
Sustainability	<p>The state government continued to implement initiatives undertaken under the TA and some have been replicated. Native trades pilot through bamboo cluster was replicated by the state government for other native trades like pottery and handloom utilizing loan funds. Similarly, the implementation plan for MSIP developed under the TA is being implemented across Meghalaya schools using state funds. Some of the key human resources provided for PIUs under the TA have been absorbed by the</p>	<i>Likely Sustainable</i>

Criterion	Assessment	Rating
	state government. These resources are manning key project management positions in several externally aided and government- funded projects and/or schemes.	

Lessons Learned and Recommendations

Design and/or planning	The capacity development support provided under the TA would be more effective if implemented before approval of project finance. For a first time EA, handholding activities and interventions complementary to the project loan are necessary to assist in the successful implementation of the project.
Implementation and/or delivery	Not applicable
Management of staff and consultants	Timing of mobilization of consultants should be taken into consideration to optimize the inputs of consultants. BC was mobilized along with other consulting firms under the loan like project management consultants, design and supervision consultants, non-government organization and Institute of Applied Manpower Research. This meant an overload of consultants on the executing agency. Mobilizing BC before other consulting firms would have spaced out consulting inputs in a better manner.
Knowledge building	Documentation of project successes such as through coffee table books and videos will help in replicating initiatives under succeeding TAs.
Stakeholder participation	BC conducted a thorough stakeholder engagement for each of the PIUs which is a very good approach and can be replicated in future TAs.
Replication and/or scaling up	Utilization of local teaching/research institutions for project implementation work for capacity building using local resources/state funds together with developing partners could scale up native trades for improving livelihood. The TA adopted many innovative features which can be replicated under future TAs. Well qualified resources within Meghalaya were onboarded on the TA, trained on procurement, consultant recruitment and project management. These resources were kept at the disposal of PIUs. This contributed significantly to expediting project implementation. These resources have been absorbed by the state government and are manning important project management functions in various state government projects. Building capacity of local resources for project implementation is replicable strategy for future TA. The TA also engaged IIT, Guwahati to bring in technological improvements in the way traditional bamboo craft was being practiced. This contributed to significantly improving the quality and marketability of the bamboo products. This intervention also convinced GOM about scaling up native trades utilizing loan funds for improving livelihoods.
Post-TA financial resource	Effective TA results encourages state government to fund other important programs. Implementation plan for MSIP developed under the TA is being implemented across Meghalaya schools using state funds. The state government have absorbed key project management resources engaged under the TA to support project management functions under state government projects.

Follow-up Actions

Follow on TA support can be provided much before second phase of loan financing is approved to build capacities of executing and implementing agencies for project implementation ahead of project financing.

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TECHNICAL ASSISTANCE COST

Table A13.1: Technical Assistance Cost by Activity
(\$'000)

Item	Amount		
	Original	Revised	Actual
1. Consultants	1,382.7	1,856.0	1,684.1
2. Equipment	50.0	14.5	14.0
3. Training, seminars and/or conferences	310.0	108.1	85.0
4. Surveys	45.0	0.1	0.1
5. Miscellaneous TA administration	20.0	5.0	0.1
6. Representative for contract negotiations	1.0	0.0	0.0
7. Contingency	191.3	16.3	0.0
Total	2,000.0	2,000.0	1,783.3

Source: Asian Development Bank estimates.

Table A13.2: Technical Assistance Cost by {Financier} {Fund}
(\$'000)

	ADB	Total Cost
1. Original	2,000.00	2,000.00
2. Revised	2,000.00	2,000.00
3. Actual	1,783.30	1,783.30
4. Unused	216.70	216.70

Source: Asian Development Bank estimates.

Annex to TCR

Pictures Showing JFPR Logo

