



Completion Report

Project Number: 38298-022
Grant Number: 0074-KGZ (SF)
June 2014

Kyrgyz Republic: Vocational Education and Skills Development Project

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Asian Development Bank

CURRENCY EQUIVALENTS

	Currency unit	–	som (Som)
			At Appraisal At Project Completion 1 June 2006 31 December 2012
Som1.00	=		\$0.0247 \$0.0211
\$1.00	=		Som40.50 Som47.20

ABBREVIATIONS

ADB	–	Asian Development Bank
CBT	–	competency-based training
DMF	–	design and monitoring framework
ILO	–	International Labour Organization
MIS	–	management information system
PIU	–	project implementation unit
PVE	–	primary vocational education
Skills Council	–	National Professional Skills Development Council
SY	–	school year
TVET	–	technical and vocational education and training

NOTES

- (i) The fiscal year (FY) of the Government of the Kyrgyz Republic and its agencies ends on 31 December. FY2012 ends on 31 December 2012.
- (ii) In this report, "\$" refers to US dollars.

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CONTENTS

	Page
BASIC DATA	i
MAP	iv
I. PROJECT DESCRIPTION	1
II. EVALUATION OF DESIGN AND IMPLEMENTATION	1
A. Relevance of Design and Formulation	1
B. Project Outputs	2
C. Project Costs	8
D. Disbursements	8
E. Project Schedule	9
F. Implementation Arrangements	9
G. Conditions and Covenants	10
H. Consultant Recruitment and Procurement	10
I. Performance of Consultants, Contractors, and Suppliers	10
J. Performance of the Borrower and the Executing Agency	11
K. Performance of the Asian Development Bank	11
III. EVALUATION OF PERFORMANCE	11
A. Relevance	11
B. Effectiveness in Achieving Outcome	11
C. Efficiency in Achieving Outcome and Outputs	12
D. Preliminary Assessment of Sustainability	12
E. Impact	12
IV. OVERALL ASSESSMENT AND RECOMMENDATIONS	13
A. Overall Assessment	13
B. Lessons	13
C. Recommendations	14
APPENDIXES	
1. Design and Monitoring Framework	16
2. Project Costs by Financier—Appraisal versus Actual	21
3. Disbursements and Imprest Account Turnover Ratios	22
4. Contribution to the ADB Results Framework	23
5. Project Implementation Schedule	24
6. Status of Compliance with Grant Covenants	26
7. Contracts for Consulting Services	33
8. Procurement Contract Packages	35

BASIC DATA

A. Grant Identification

1.	Country	Kyrgyz Republic
2.	Grant Number	0074-KGZ(SF)
3.	Project Title	Vocational Education and Skills Development Project
4.	Borrower	Kyrgyz Republic
5.	Executing Agency	Agency for Vocational Education
6.	Amount of Grant	\$10,000,000
7.	Project Completion Report Number	PCR: KGZ 1444

B. Grant Data

1.	Appraisal	
	– Date Started	31 October 2006
	– Date Completed	13 November 2006
2.	Grant Negotiations	
	– Date Started	19 December 2006
	– Date Completed	20 December 2006
3.	Date of Board Approval	29 January 2007
4.	Date of Grant Agreement	21 September 2007
5.	Date of Grant Effectiveness	
	– In Grant Agreement	20 December 2007
	– Actual	8 February 2008
	– Number of Extensions	0
6.	Closing Date	
	– In Grant Agreement	30 September 2011
	– Actual	31 December 2012
	– Number of Extensions	2

7. Disbursements

a. Dates

Initial Disbursement	Final Disbursement	Time Interval
1 April 2008	30 April 2013	60 months
Effective Date	Original Closing Date	Time Interval
8 February 2008	30 September 2011	43 months

b. Amount (\$ million)

Category	Original Allocation	Revised Allocation	Amount Disbursed	Amount Canceled
Works	2.03	2.65	2.63	0.02
Furniture and equipment	5.42	5.07	4.87	0.20
Materials	0.55	0.29	0.28	0.01
Training	0.26	0.33	0.29	0.04
Consulting services	0.84	1.16	1.10	0.06
Project management	0.28	0.44	0.41	0.03
Unallocated	0.62	0.06	0.00	0.06
Total	10.00	10.00	9.58	0.42

C. Project Data

1. Financing Plan (\$ million)

Cost	Appraisal Estimate	Actual
Implementation costs		
Borrower financed	3.00	2.45
ADB financed	10.00	9.58
Total	13.00	12.03

ADB = Asian Development Bank.

2. Cost Breakdown by Project Component (\$ million)

Component	Appraisal Estimate	Actual
A. Base Cost		
1. Consolidation and modernization of the primary vocational education system	0.46	0.99
2. Improvement of teaching and learning environment	7.47	9.42
3. Modernization of curriculum and learning assessment and material development	0.83	0.33
4. Human resources development	0.80	0.29
5. Project management	0.31	0.47
6. Taxes and duties	1.86	0.52
Total base costs	11.73	12.03
B. Contingencies		
1. Physical contingencies	0.49	0.00
2. Price contingencies	0.78	0.00
Total contingencies	1.27	0.00
Total	13.00	12.03

3. Project Schedule

Item	Appraisal Estimate	Actual
Contract with Consultants		
International consultant (Individual)		
Date of award	Q2 2008	Q3 2008
Completion of work	Q1 2009	Q4 2008
International consultant (firm)		
Date of award	Q3 2008	Q2 2009
Completion of work	Q1 2011	Q2 2012
Engineering firm		
Date of award	Q4 2008	Q1 2010
Completion of work	Q1 2009	Q2 2010
Contract for civil works		
Date of award	Q3 2009	Q3–4 2010–Q2 2011
Completion of work	Q3 2010	Q4 2010–Q4 2011
Contract for equipment		
Date of award	Q4 2009	Q4 2011
Completion of work	Q3 2010	Q4 2012
Contract for furniture to dormitories		
Date of award	Q2 2010	Q4 2011
Completion of work	Q3 2010	Q3 2012
Contract for materials (curriculum duplication)		
Date of award	Q2 2009	Q1 2012
Completion of work	Q3 2009	Q4 2012

Q = quarter.

4. Project Performance Report Ratings

Implementation Period	Rating	
	Development Objectives	Implementation Progress
8 February–31 December 2008	Satisfactory	Satisfactory
1 January–31 December 2009	Satisfactory	Satisfactory
1 January–31 December 2010	Successful	Successful
1 January–31 March 2011	Highly successful	Highly successful
1 April–30 June 2011		Actual Problem ^a
1 July–30 September 2011		Potential Problem ^a
1 October–31 December 2011		On Track ^a
1 January–31 March 2012		Potential Problem ^a
1 April–31 December 2012		On Track ^a

^a The rating system was replaced with a new project performance rating system in 2011.

D. Data on Asian Development Bank Missions

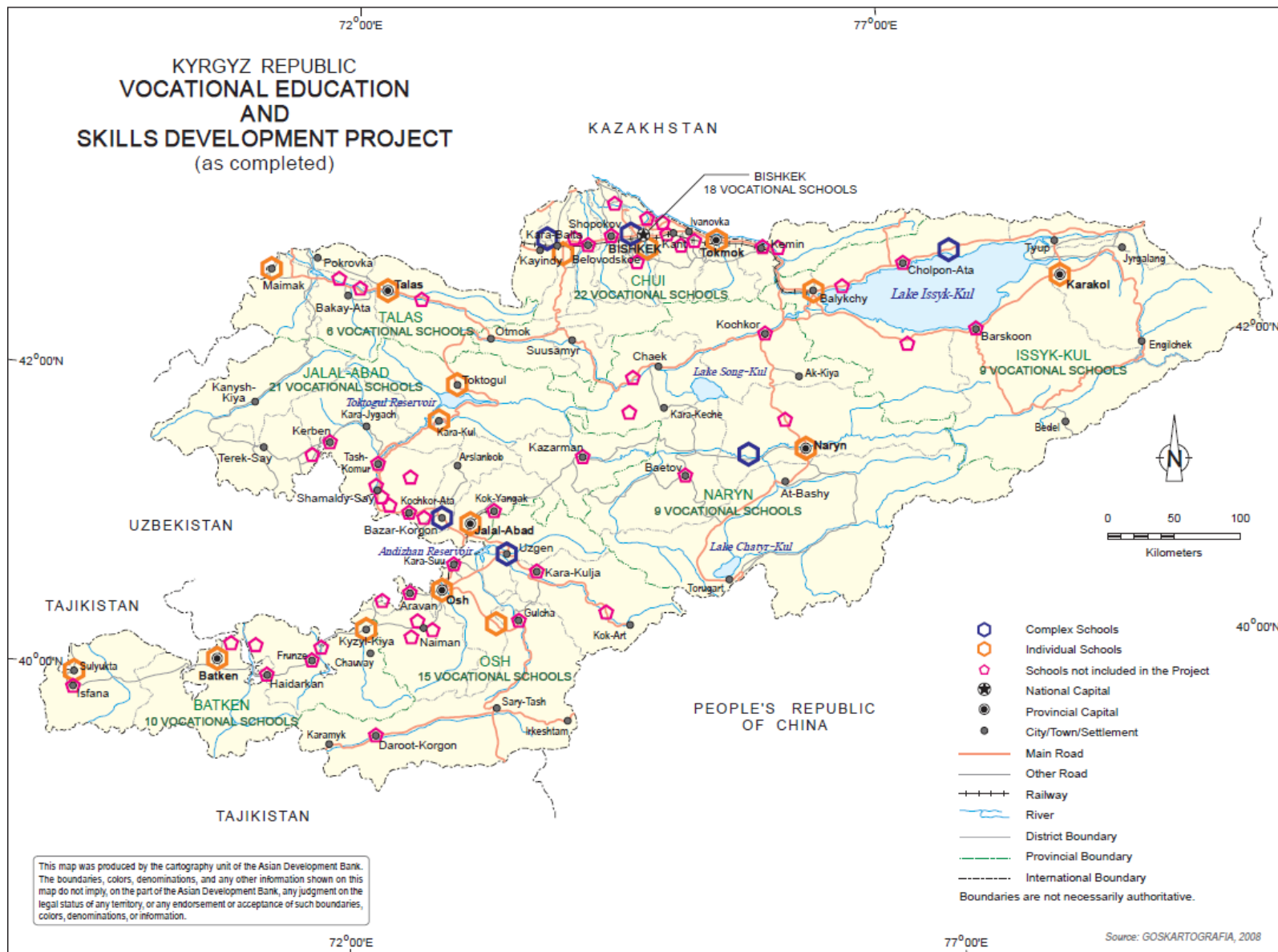
Name of Mission	Date	Number of Persons	Number of Person-Days	Specialization of Members ^a
Fact-finding	28 August–8 September 2006			
Appraisal	31 October–13 November 2006			
Inception	3–6 November 2008	2	7	a,b
Review 1	8–14 April 2008	2	10	a,b
Review 2	7–12 September 2009	2	10	a,b
Review 3	15–26 February 2010	2	23	a,b,c
Review 4	15–23 November 2010	1	9	a,b
Midterm review	4–13 April 2011	2	20	a,b
Review 5	28 November–2 December 2011	2	10	a,b
Review 6	26–30 March 2012	1	5	a,b
Project completion review ^b				

^a a = financial sector specialist, b = project analyst, c = senior project implementation officer.

^b Desk review.

Source: Asian Development Bank.

KYRGYZ REPUBLIC VOCATIONAL EDUCATION AND SKILLS DEVELOPMENT PROJECT (as completed)



- Complex Schools
 - Individual Schools
 - Schools not included in the Project
 - National Capital
 - Provincial Capital
 - City/Town/Settlement
 - Main Road
 - Other Road
 - Railway
 - River
 - District Boundary
 - Provincial Boundary
 - International Boundary
- Boundaries are not necessarily authoritative.

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Source: GOSKARTOGRAFIA, 2008

I. PROJECT DESCRIPTION

1. At project design stage in 2006, the Kyrgyz Republic had projected average gross domestic product growth of 7.5% for 2006–2010. While the government was committed to improving the enabling conditions for private sector growth, lack of skilled labor was identified as a key issue by the business community.¹ The existing vocational education system was largely based on the former Soviet system and was neither responsive to labor market demands nor cost effective. While there was a growing need for skilled workers, graduates from vocational schools had difficulty finding jobs because they lacked employable skills. At appraisal, key issues of the vocational education system were (i) poor links to the existing and anticipated labor market, (ii) lack of practical training and hands-on experience for students, (iii) weak learning and teaching environments in schools, (iv) underused facilities and inefficient staff development, and (v) weak management of vocational schools. In addition, the system performed poorly in providing relevant, high-quality skills training for adults and out-of-school youth. Given the importance of the vocational education system as a source of skilled labor, the Government of the Kyrgyz Republic requested the Asian Development Bank (ADB) for assistance in reforming and modernizing the primary vocational education (PVE) system.²

2. On 29 January 2007, ADB approved the Vocational Education and Skills Development Project.³ The estimated total project cost at appraisal was \$13 million, of which \$10 million in grant funds was to be provided from ADB's Special Fund resources and \$3 million by the Government of the Kyrgyz Republic. The aim of the project was to improve the employability and income-earning opportunities of graduates from PVE institutions, and to strengthen private-sector-led economic growth through the availability of multiskilled labor. The expected outcome was more equitable access to and improved quality and relevance of vocational education and skills training. The project comprised four outputs: (i) consolidation and modernization of the PVE system established, (ii) improved teaching and learning environments provided, (iii) modernized curriculum and learning assessment and learning materials developed, and (iv) human resources development improved. The Agency for Vocational Education in the Ministry of Youth, Labor and Employment, responsible for the PVE system, was the executing and implementing agency for this nationwide project. The design and monitoring framework (DMF) of the project is in Appendix 1.

II. EVALUATION OF DESIGN AND IMPLEMENTATION

A. Relevance of Design and Formulation

3. The project was rated *relevant* at appraisal, became *highly relevant* during implementation, and remained *highly relevant* at completion. The project was consistent with the strategic objectives and policies of the Government of the Kyrgyz Republic. In the Comprehensive Development Framework to 2010 approved in 2002, the government considered reforming the current PVE system to make it an integral part of its economic growth strategy. The strategy targeted steady private-sector-led growth and improved access of the

¹ Two-thirds of the employed population lack employable skills. Unemployment is highest among youth, especially the early school leavers (16–19 years old) without employable skills.

² Vocational education in the Kyrgyz Republic has two separate systems: primary and secondary. Both offer programs at the post-school level but below the level of higher education. PVE was designed to develop skilled workers and craftspeople, and secondary vocational education was designed to develop technicians and middle-level staff.

³ ADB. 2007. *Report and Recommendations of the President to the Board of Directors on a Proposed Asian Development Fund Grant to the Kyrgyz Republic for the Vocational Education and Skills Development Project*. Manila.

poor to income-generating opportunities, removing disparities between rural and urban regions, and improving conditions in rural areas.⁴ The project was consistent with ADB's Policy on Education,⁵ with project outputs designed to provide knowledge and skills essential for a demand-driven modern economy. The project was in line with ADB's country strategy and program update, highlighting the importance of reducing poverty by promoting private-sector-led economic growth and human resources development, including general and vocational education.⁶ At completion, the project remains aligned with the government's Education Development Strategy 2020,⁷ ADB's Strategy 2020 and midterm review, and the ADB country partnership strategy.⁸

4. The project design addressed the challenges identified during appraisal. The design included a consolidation and rationalization strategy to improve the efficiency of the PVE system and make it more responsive to industry needs. Another key feature of the project was the introduction of competency-based training (CBT), which involves short modular courses with certification of skills required in the labor market. At the same time, the project expanded access to skills training to out-of-school youth, unemployed adults, and those in employment but needing skills upgrades. The project was prepared using project preparatory technical assistance. While technical assistance resources were used to help prepare a consolidation strategy as part of the design process, the project design underestimated the challenge of reaching an agreement on a consolidation strategy.⁹ This caused significant start-up delay, as the strategy needed to be approved before the improvement of the learning environment could be initiated, and the strategy was only approved in February 2010.

5. During project implementation, the government agreed on an overall strategic framework covering the consolidation and rationalization of the entire PVE system, and implemented the first stage of the consolidation during the 5-year project period. The project gained relevance through the establishment of two key building blocks for the further modernization of a national technical and vocational education and training (TVET) system that were not included in the original project design. The creation of the National Professional Skills Development Council (Skills Council) allowed for the involvement of the employers at the national level (para. 17). The upgrading of the Retraining Center into the Republican Research and Methodology Resource Center under the Agency for Vocational Education provided a training arm for continuous staff and learning materials development (paras. 19 and 29). The government remains highly committed to continuing TVET system reform in line with the agreed consolidation strategy, and asked ADB for continued support, which was approved in 2012.¹⁰

B. Project Outputs

6. The major feature of the project is the shift of the current PVE system to a demand-driven, entrepreneurial structure with industry participation. A responsive training system of this

⁴ Government of the Kyrgyz Republic. 2002. *Comprehensive Development Framework of the Kyrgyz Republic to 2010*. Bishkek.

⁵ ADB. 2002. *Policy on Education*. Manila.

⁶ ADB. 2005. *Country Strategy and Program Update (2006–2008)*. Manila.

⁷ Government of the Kyrgyz Republic. 2012. *Education Development Strategy of the Kyrgyz Republic for 2012–2020*. Bishkek.

⁸ ADB. 2013. *Country Partnership Strategy: Kyrgyz Republic 2013–2017*. Manila.

⁹ Project preparatory technical assistance was used to prepare a review of the existing school structure and a labor market assessment.

¹⁰ ADB. 2012. *Report and Recommendations of the President to the Board of Directors: Proposed Asian Development Fund Loan and Grant to the Kyrgyz Republic for the Second Vocational Education and Skills Development Project*. Manila. (\$20 million).

nature can provide relevant programs to youth, increase training and retraining opportunities for adults and out-of-school youth, enhance employability, and increase options for business growth through the use of higher-quality workers.

1. Output 1: Consolidation and Modernization of the PVE

7. Output 1 aimed to improve the quality of primary vocational school administration by (i) consolidating and modernizing the current PVE structure gradually, (ii) creating a legal and administrative framework to enable school management to engage in entrepreneurial activities and administer their assets and income, and (iii) developing a national policy framework to promote vocational training. System modernization is a long process that requires structured start-up, impetus, and continued support to take reform initiatives forward. The project successfully introduced sustainable system reforms and met DMF targets.

8. The implementation of Output 1 is rated *successful*. The key features of the project design were implemented and performance targets were met. The project implemented a number of activities supporting the national policy framework that were not in the original project design but increased the relevance of the project. The government is committed to using the strategic framework to continue to consolidate and rationalize the PVE system. The finalization of the overall strategy and the next stage of rationalization are being supported under the follow-on project.

9. **Consolidation and rationalization.** The consolidation of the PVE system, which intended to improve efficiency by concentrating resources in fewer, larger schools, proved the most difficult to agree on and delayed the implementation of the project. Using support provided in the technical assistance (footnote 9), an initial consolidation strategy was approved on 9 April 2009 to consolidate 44 primary vocational schools into 17 complex schools.¹¹ A major concern was the loss of legal status of complex schools for all but the lead school. These changes not only have implications for the state budget allocation, with possible closure of some of the schools, but also cause displacement of principals, accountants, and other key staff. The new government that came into power in December 2009 asked ADB to revise the approved consolidation strategy and put forward an alternative proposal, involving a limited number of complex schools and the upgrading of individual schools to regional resource centers for other primary vocational schools in the region. The selected regional resource centers are schools located in urban areas, with dormitories for rural students. The regional resource centers are near industries and provide long courses to produce skilled workers. A final agreement on the strategy was reached in February 2010, when a memorandum of understanding was signed with ADB by the Minister of the Ministry of Labor, Employment and Migration, consolidating 31 primary vocational schools into 25 schools. Nationwide, 12 primary vocational schools were consolidated into 6 complex schools, and 19 individual schools were upgraded to regional resource centers. These changes affected 30% of the system (31 of 110 schools).

10. In addition to the changes to schools, the agreed two-track strategic framework covered the consolidation and rationalization of the entire PVE system. Track 1 focuses on the development of higher-level technical skills for employment in local industries as well as the overseas market, while track 2 focuses on the development of basic skills primarily geared to

¹¹ Complex schools are merged schools under the management of the lead school, with shared infrastructure and staff. The mergers were undertaken on the basis of proximity and capacity demand to improve efficiency. Students of merged schools were transferred to the lead school. School directors, deputy directors, accountants, and support staff were released. These measures resulted in savings of Som127.2 million without lowering school efficiency or effectiveness.

self-employment, particularly in rural areas. The follow-on project (footnote 10) supports the next stage of rationalization, based on a school-mapping exercise.

11. **Legal and administrative framework.** The project introduced the use of school business plans as a management tool to foster a culture of entrepreneurship. A performance-based planning and budgeting system was developed, using business plans that link resources with results using key indicators. In 2009, business plans were developed by all primary vocational schools, as targeted during appraisal. However, only the 25 primary vocational schools directly assisted under the project prepared business plans for 2010, 2011, and 2012. The plans were perceived as a project intervention and not as a management tool. The use of business planning in all primary vocational schools must be incorporated into the day-to-day management of the schools, particularly in view of the urgent need to generate nonbudget revenues. Business plans should be integrated in the management and reporting system of the Agency for Vocational Education as well as that of the schools.

12. By the end of the project, all primary vocational schools were to have school advisory boards, composed of representatives from employers, local government units, and other social partners, to strengthen the school–industry link. School advisory boards with defined functions and authority were established in all primary vocational schools through an order from the director of the Agency for Vocational Education dated 16 April 2010. Hands-on training was provided to the schools supported under the project. The performance of these boards was mixed. Common feedback from school directors is that employers are not interested in becoming school advisory board members, as they do not see benefits in membership. Employers generally perceive the primary vocational school programs as lacking in relevance and quality to meet their workplace requirements. Employers prefer to hire unskilled workers and conduct in-house training. There are, however, some cases where the school advisory boards are effectively functioning with active employer involvement. This results in agreements between employers and schools on the provision of tailored training packages for employees, improving training relevance. Employer participation in school advisory boards has also enabled students to undertake internships, allowing them to increase their chances of future employment.

13. The project targeted improving school asset management, including buildings, land, and equipment. A new asset management system was created, allowing for transfer of ownership, renting, or closing down of assets. The asset management information system (MIS) was divided into subsystems, focusing first on computerized monitoring of school operations. The software and hardware were developed and installed, connecting the 25 assisted schools to the central server at the Agency for Vocational Education as of June 2011. Due to limited capacity in the central agency and in schools, the MIS is not functioning as needed. The supported schools were surveyed at the end of the project to identify requirements for effective MIS use. The results showed that 83% of respondents wanted additional training, 56% had difficulties using the MIS due to technical and financial problems (errors and lack of funds to pay for internet access), 33% recommended simplifying MIS forms, and 28% did not consider the MIS to be a school management tool. Further training and familiarization are needed, both at the Monitoring and Evaluation Unit in the Agency for Vocational Education and in the primary vocational schools, to ensure effective asset management.

14. The project promoted an entrepreneurial approach to school management and program delivery. The Agency for Vocational Education identified and addressed barriers to school management, enabling primary vocational schools to offer short-term courses and optimize income generation. One barrier was the 20% tax imposed on revenues generated by the schools through their own activities under special accounts, which provided a powerful

disincentive. The project team, together with other development partners, requested the abolition of this tax. Parliament removed the tax on 3 December 2012 following strong support by universities and political parties, including the ruling coalition at that time.

15. The project provided training for school directors and administrators to improve managerial skills and helped curriculum developers, instructors, and teachers incorporate entrepreneurial skills into curriculum modules. The International Labor Organization (ILO) developed a nine-module training program for entrepreneurs, called Understanding the World of Work. The first two modules have been integrated in the curricula of the 18 priority occupations (see Output 3).

16. A social marketing plan was developed and implemented under the project. Parents, children, employers and policy makers were informed of project activities, and provided with details on training and employment opportunities through TVET. Marketing included distribution of printed materials and press releases through print and broadcast media, and job fairs.

17. **National policy framework.** Two initiatives supporting a national policy framework—the Skills Council, and the per-capita budgeting system—were added during project implementation, increasing the relevance of the project. A national consultative forum was established through a regulation issued by the director of the Agency for Vocational Education on 26 March 2010. The forum met twice and decided on 18 priority occupations.¹² The project proposed the upgrading of the forum into a national council with a legal mandate defining its objectives, duties, responsibilities, and membership. The Decree on the National Professional Skills Development Council was approved on 26 March 2012, as one of the policy actions under ADB's Investment Climate Improvement Program, to leverage TVET actions.¹³ The decree did not give the Skills Council the legal authority to approve national policies on skills development. Nevertheless, it is a good starting point to ensure that skills development efforts in the country are coordinated and responsive to the needs of the labor market. The Skills Council has met twice by 2014, and functions as the steering committee for the follow-on project.

18. The present budget allocation system lacks transparency and is not linked to the needs of individual primary vocational schools, leading to inappropriate use of scarce resources. Under the project, new guidelines, procedures, and other legal documents were developed for the introduction of per-capita financing in the PVE system. The Agency for Vocational Education plans to pilot per-capita financing in the 2014–2015 school year.

2. Output 2: Improved Teaching and Learning Environment in Primary Vocational Schools

19. This output includes the rehabilitation of training workshops and dormitories, and the provision of equipment and furniture. During appraisal, the aim was to rehabilitate and upgrade training workshops of up to 20 selected primary vocational schools, rehabilitate up to 20 dormitories, and provide training equipment for priority occupations. During project

¹² The 18 priority occupations were chosen with industry: electric and gas welder; electrician (electric equipment); electrician (household equipment); electrician (power stations and network maintenance); motor mechanic; plumber; plasterer-paver; master of gypsum plasterboard construction; master finisher; joiner-carpenter; junior veterinary assistant; farmer; operator of agricultural products processing; hotel industry worker; cook; tailor; cutter; and hairdresser.

¹³ ADB. 2012. *Report and Recommendations of the President to the Board of Directors: Proposed Asian Development Fund Grant for Subprogram 2, and Grant Assistance to the Kyrgyz Republic for the Investment Climate Improvement Program*. Manila (\$20 million). The program and project links facilitated policy results.

implementation, the teaching and learning environments of the 25 project schools were significantly improved with the rehabilitation of 158 training workshops and computer classrooms, and 25 dormitories for 2,711 bed-places, including shower cubicles, toilets, and furniture. Specific attention was paid to gender concerns and access of the physically disabled in the design and construction. The civil works in the 25 primary vocational schools were completed in December 2011. Training equipment for 158 training workshops was delivered and installed in December 2012. The supported schools received modern equipment for between three and nine workshops, depending on the number of priority occupations offered by the school. The Retraining Center was also rehabilitated and will be upgraded into the Republican Research and Methodology Resource Center (para. 29).

20. The implementation of Output 2 is rated *less than successful*. The project completed the rehabilitation of the targeted number of training workshops and dormitories, and provided the required training equipment. The rehabilitation of the Retraining Center, which was outside the initial project scope, provided an additional building block for TVET system modernization. The quality of civil works was considered satisfactory. The training equipment was only installed at the end of the project.

21. Feedback on the quality of the training equipment was mixed. The management and teachers of some of the assisted schools visited expressed satisfaction with the equipment for sewing, computer laboratories, cooking, and carpentry, except with some minor items where there were problems of durability and/or missing parts. However, almost all those who received welding equipment complained that the electric welding machine overheats after about an hour's use and can no longer be used. In some workshops, the capacity of the exhaust fans to suction fumes from welding is insufficient, and fans broke down in a few months. Gas tanks for the metal inert gas welding machines were not included in the package, and therefore the equipment could not be used. Training on the use of the equipment was provided. One comment from visited schools was that the training period was short. Equipment use was mixed, depending on the technology area and school. The schools pointed out that the charts illustrating the equipment and providing instructions should have been in the Kyrgyz language instead of Russian, particularly for those in the rural areas.

3. Output 3: Modernized Curriculum and Learning Assessment and Learning Materials Developed

22. A key activity in the reform process of the PVE system is the introduction of CBT.¹⁴ The successful introduction of CBT requires a package of interrelated components including (i) development of competency standards for selected priority occupations by industry; (ii) development of CBT curriculum, learning materials, assessment tools, and teacher's guide; (iii) training of teachers in CBT methodology and use of CBT materials in training delivery; (iv) development of a competency assessment and certification system; (v) training of accredited competency assessors from industry and training providers; and (vi) development of program registration and accreditation systems as part of quality assurance. The guidelines and procedures for these components were to be adopted as part of national policies, following consultations with key stakeholders, to ensure a unified approach on skills development. These were not specified in the original project design but are necessary if CBT is to be well implemented system-wide.

¹⁴ The CBT training methodology emphasizes students' abilities to perform tasks at a specified proficiency level according to skill standards identified by the industry or the private sector.

23. The implementation of Output 3 is rated *successful*. The project introduced the CBT system using the ILO's Regional Model Competency Standards. The standards are now being developed and used in a number of ILO member countries to facilitate international benchmarking and mutual recognition of skills. The project piloted the full CBT cycle for the sewing occupation. Based on that experience, the development of CBT curricula and related materials for the 17 other priority occupations were rolled out. To date, the project has (i) developed competency standards and assessment tools for the 18 priority occupations involving 100 experts from 22 partner industry associations and enterprises; (ii) developed modular CBT curricula and learning materials for the 18 occupations involving 176 masters and teachers from the primary vocational schools; (iii) trained 121 masters and teachers for the delivery of CBT courses, and 65 teacher trainers for the remaining 1,300 teachers in the PVE system; and (iv) trained and accredited 82 competency assessors from industry.

24. The CBT methodology has been successfully introduced for the pilot sewing occupation. The assistance provided was complete, including the preparation of the curriculum, full learning materials for each competency unit for all modules, teacher and/or master training for theory and practice, and assessment tools development and testing. The schools and teaching staff were pleased with the quality of the equipment provided. During project implementation, the training for the sewing occupation was offered in nine primary vocational schools, with a total of 253 students trained by the end of the project. A total of 175 graduates passed the independent competency assessment and were certified. Most, if not all, graduates found immediate employment, as there is a shortage of skilled staff in the sector.

25. In the rollout of the other 17 priority occupations, the CBT methodology has not been carried out at the classroom and workshop level in most of the assisted schools. The main reason for this is that the assistance provided stopped short of developing the learning materials for each module. While the competency standards and curricula were provided and the teachers were trained on CBT delivery and development of training materials, the teachers and masters were expected to develop the corresponding learning materials themselves. In most cases, this did not happen, because the teachers and masters did not have the budget or the initiative. This deficiency is being remedied with the help of the Republican Research and Methodology Resource Center.

26. During project implementation, a TVET qualification framework was developed with the support of employers and staff from primary vocational schools. This provided a development structure for TVET qualifications. It consisted of five competency levels defined according to the complexity of skills needed, the competency levels required to take on certain responsibilities, and the knowledge required. While TVET qualification framework development was not included in the original project design, it is required for competency standards development beyond the first competency level. (The learning materials developed under this project are all at the first competency level.) The follow-on project will build on these achievements and institutionalize TVET reforms through national systems development for (i) national competency standards and assessment tools, (ii) CBT curriculum and learning materials, and (iii) competency assessment and certification.

27. The outputs produced substantially exceed the targets specified in the DMF. The most difficult components of the CBT cycle—the development of competency standards, curriculum, teachers' guides, and assessment tools—were successfully implemented. The deficiency in the development of learning materials will be remedied with resources from the Agency for Vocational Education and during the follow-on project.

4. Output 4: Human Resources Development

28. During appraisal, the aim was to prepare a human resources development plan for the PVE schools, and to implement it over the project period. An initial human resources development plan was prepared in 2010. During the project period, 261 staff received training on business planning, 109 were trained on strengthening managerial capacity, 63 were trained in computer literacy, 97 were taught how to use the MIS, 46 (accounting staff) received training on accounting software, and 25 learned innovative career guidance methods. These training activities were needed to support the development and implementation of management systems in the primary vocational schools, including performance-based planning and budgeting, monitoring and evaluation, and the MIS. A workshop was provided to orient the members of the school advisory boards of the 25 assisted primary vocational schools on their roles and responsibilities.

29. To achieve sustainability of project-supported activities, the facilitators who were trained on curriculum development and preparation of assessment tools were transferred to the upgraded Resource Center under the Agency for Vocational Education. The Resource Center will serve as the training arm for continuous staff development, including for TVET system teachers and administrators, and for innovative training methodologies and training materials. It will lead the development and implementation of a TVET teachers' development program based on a comprehensive training needs assessment, and serve as the venue for the activities of industries, providing them with the necessary technical and administrative support. The Resource Center is being used by development partners as a venue for training and workshops, allowing it to generate revenue. Ministries and agencies recognize the importance of the Resource Center for further reform of the TVET system, and use it to provide training courses for the staff of the whole TVET system.

30. The implementation of Output 4 was rated *successful*. While not all DMF performance targets were fully achieved a structure was established for future human resources development of the PVE system as well as for other TVET training institutions.

C. Project Costs

31. At appraisal, the project costs were estimated at \$13.00 million equivalent, to be financed by an ADB grant of \$10.00 million and \$3.00 million from the Government of the Kyrgyz Republic. Some minor reallocations were made between project categories to address project requirements. The budget for consulting services was increased to add individual TVET policy and CBT consultants to perform tasks that were initially envisaged to be done by a firm, to assist in project implementation. The budget for civil works was increased because rehabilitation works took place in more schools than originally envisaged. Ultimately, the project was implemented within its estimated costs, and utilized about \$12.02 million or 92% of the estimated costs. ADB's actual expenditures amounted to \$9.58 million or 96% of the estimated expenditures. The government's actual expenditures amounted to \$2.45 million, or 81.5% of the estimates. The final project costs and financing plan are in Appendix 2.

D. Disbursements

32. At completion, total grant disbursements under the project amounted to \$9.58 million. Upon account closing, \$0.42 million of the grant amount was cancelled. At completion, disbursements by the government comprised \$2.45 million, including payment of taxes and customs duties. The first disbursement under the grant took place on 1 April 2008, and the final

disbursement was on 31 December 2012. A breakdown of annual disbursements is provided in Appendix 3. The delay in full implementation of the project, owing to lack of agreement on the consolidation strategy, was reflected in the cumulative contract awards and disbursements. In 2008 and 2009, the cumulative disbursement rate was 4%. The cumulative disbursement rate increased to 15% by the end of 2010 and 41% by the end of 2011. By the end of 2012, the disbursement rate was at 97%.

33. An imprest account was opened in the Kyrgyz Investment and Credit Bank. In February 2008, ADB provided the project with an initial advance of \$0.50 million. The average annual imprest account turnover ratio for the project period was 1.85. Due to the delays in the early stage of project implementation, the imprest account turnover ratio fluctuated from 0 in 2008 to 4.99 in 2012. The need for frequent replenishment in 2012, which was a very active project year, caused delays in some payments. The annual imprest account turnover ratios are in Appendix 3.

E. Project Schedule

34. The grant was approved in January 2007 and became effective in February 2008. The original closing date was 30 September 2011, but it was subsequently extended to 31 December 2012 (two extensions). The implementation of the project was delayed by about 3 years owing to (i) late effectiveness (it took 1 year for the grant to become effective),¹⁵ and (ii) late agreement on the consolidation strategy (para. 9). The government and ADB agreed on the consolidation strategy in February 2010, after which procurement was initiated. Contracts for civil works were awarded in early 2011, and by December 2011 civil works had been completed in 25 primary vocational schools. Training equipment specifications needed to be identified based on the requirements for the 18 priority occupations. The procurement of the training equipment was advertised in August 2011, the contract was awarded in December 2011, and the training equipment was delivered and installed in the 25 primary vocational schools in December 2012 (para. 19). The project implementation schedule is in Appendix 5.

F. Implementation Arrangements

35. The Agency for Vocational Education under the Ministry of Youth, Labor and Employment served as both the executing and implementing agency. The Director of the Agency for Vocational Education was appointed as project director to coordinate overall project implementation. The project implementation unit (PIU), created under the Agency for Vocational Education, was responsible for project implementation. The PIU was led by a project manager, who was responsible for the daily implementation of the project. A project steering committee with broad representation was constituted to provide policy guidance and oversight throughout the project period.¹⁶ Before the restructuring of the government in October 2009, the project steering committee met regularly to review progress and provide timely guidance and support. The last meeting was held in June 2009. Afterward, the project sought guidance from the individual members of the project steering committee. The implementation arrangements were adequate to deliver the project outputs and achieve the project outcome.

¹⁵ Before a project becomes effective it needs to be cleared by the government, and must pass three Parliamentary hearings before approval by Parliament and signing by the President. This process can take a year or more.

¹⁶ The project steering committee was chaired by the Vice Prime Minister of the Kyrgyz Republic, and had representatives from the Ministry of Youth, Labor and Employment; Ministry of Economy and Finance; Office of the Prime Minister; Chamber of Commerce; Confederation of Employers; and Civil Association Forum of Education Initiatives; with Helvetas Swiss Intercooperation as observer.

G. Conditions and Covenants

36. Of the 23 conditions and covenants, 20 were fully complied with, one covenant was partly complied with, one was modified, and one was not complied with. The status of compliance with grant covenants is in Appendix 6.

H. Consultant Recruitment and Procurement

37. **Consulting services.** The consulting firms were hired using the quality- and cost-based selection method, and individual consultants were hired through individual consultant selection, as envisaged in the procurement plan. Consultants were recruited in accordance with ADB's *Guidelines on the Use of Consultants*.

38. **Furniture and equipment.** All goods were procured through national competitive bidding and shopping, except training equipment, which was procured through international competitive bidding (two lots, one stage, two envelopes). The Agency for Vocational Education created a working group to supervise the delivery and installation of training equipment in primary vocational schools. The PIU examined the goods to ensure compliance with technical specifications and standards. All goods were procured in accordance with ADB's *Procurement Guidelines*.¹⁷

39. **Civil works contracts.** There were four packages for the rehabilitation of primary vocational schools. In total, there were 29 contracts for rehabilitation works. The national competitive bidding method was adopted for all packages. The bidding process followed ADB's *Procurement Guidelines*.

I. Performance of Consultants, Contractors, and Suppliers

40. Hifab International AB was hired on 30 April 2009 to assist in project implementation. The initial performance was poor. In January 2010, the team leader was replaced, which improved performance. The performance of the firm is rated *partly satisfactory*. An international TVET consultant was hired in February 2010 to assess the progress of project implementation and recommend changes in design and implementation arrangements. The consultant assisted the government in preparing the strategic framework and provided policy advice intermittently throughout the project. The performance of the TVET consultant is rated *highly satisfactory*. Further, an international CBT consultant was hired in April 2011. The consultant's inputs were crucial for the successful introduction of the CBT methodology. The performance of the CBT consultant is rated *satisfactory*. Overall, the performance of the consultants is rated *satisfactory*.¹⁸

41. The performance of the contractors for civil works is rated *satisfactory*. When the rehabilitated objects were accepted, some defects were revealed, which the contractors subsequently corrected within the performance guarantee period. School directors supervised ongoing rehabilitation works. A field supervision specialist was engaged under the project.

42. The suppliers' performance is rated *satisfactory*. Furniture, equipment, training materials, consumables, and bedding were delivered to primary vocational schools within the project

¹⁷ The government procedures are provided in the Law of the Kyrgyz Republic on Public Procurement of May 2004. It recognizes that ADB procurement procedures and policies shall prevail in case of conflict with the law.

¹⁸ A local consultant who worked on the project was sanctioned for 10 years in 2012. He was not employed under the project during the procurement of the equipment.

period. The performance of the supplier of training equipment is rated *partly satisfactory* (see para. 21 for details).

J. Performance of the Borrower and the Executing Agency

43. The performance of the borrower and the executing agency is rated *satisfactory*. The government provided adequate counterpart funding to ensure timely implementation of the project activities. The Agency for Vocational Education provided efficient guidance, ensuring that the project activities were implemented in a timely manner and in accordance with the grant agreement. The PIU provided adequate support to ensure timely completion of project activities once the consolidation strategy was finalized. The continued presence of key personnel throughout the project period—both the project director in the executing agency and the project manager in the PIU—contributed to the successful completion of the project, delivering project outputs that were planned over a 4-year period in less than 3 years. The PIU could have been better integrated in the Agency for Vocational Education.

K. Performance of the Asian Development Bank

44. The performance of ADB is rated *satisfactory*. ADB headquarters and Kyrgyz Resident Mission staff were responsive in providing guidance and granting required approvals. The departmental joint venture arrangement between sector division and country office worked well. At the government's request, ADB extended the project in 2011 and 2012. During implementation, from 2008 to 2012, ADB fielded one inception mission, six review missions and one medium-term mission for a total of 191 person-days. A special review mission was fielded in February 2010 to agree on the consolidation strategy between ADB and the government, and to prepare two-track strategic guidance for rationalization and restructuring of the PVE system. The missions provided feedback for implementation improvements.

III. EVALUATION OF PERFORMANCE

A. Relevance

45. The project is rated *relevant* at appraisal, particularly against the backdrop of increasing youth unemployment, and became *highly relevant* during implementation and remained so at completion. The successful introduction of the CBT system, allowing for a wider target group for skills training, with materials that are more demand-driven, is a major achievement under the project. The demonstrated government ownership of the primary vocational school consolidation strategy is best illustrated by the first stage implementation during the project period, and by the request and approval of a follow-on project pursuing the same objectives. The task of providing employable skills to youth and unemployed adults is a high priority of the government, as indicated in its Education Development Strategy 2020. The project is aligned with ADB's Strategy 2020 and midterm review, and with ADB's Kyrgyz Republic country partnership 2013–2017.

B. Effectiveness in Achieving Outcome

46. The project is rated *effective* in achieving its outcomes. Total enrollment in long courses increased from the baseline enrollment of 25,525 in school year (SY) 2005/06 to 32,009 in SY2011/12, a 25% increase compared with the target of 15%. Enrollment in short courses increased to 12,060 in SY2010/11 compared with the target of 6,000 by 2012, or 200% of the target. Employers have been (and remain) involved in skill identification and course

development. The National Consultative Forum, including employers' organizations, met twice to select the priority occupations to be supported under the project. A total of 137 experts from industry were involved in the development of occupational standards and curricula for the 18 priority occupations. The enrollment of female students in primary vocational schools remained at 31% throughout the project for long courses, compared with the target of 45%. The share of female trainees will increase as short courses for light industry and other female-dominated occupations are rolled out, and as the acceptability of having women in nontraditional occupations increases with experience and marketing efforts. During the February–May 2012 training for sewing, 95% of the trainees were female.

C. Efficiency in Achieving Outcome and Outputs

47. The project is rated *efficient*. Despite initial delays of 2 years, the project substantially achieved its targets with a 15-month extension and no cost overruns. At project appraisal, the existing facilities of the primary vocational schools were in poor condition, equipment and learning materials were outdated, and both staff development and school management were inefficient. The projects brought improvements in all these areas, and achieved the quantitative targets. Out the 19 performance indicators at the output level, 14 were achieved (7 of which with delay) and 5 were partly achieved. Work to institutionalize the MIS, incorporate and deepen the management changes and business planning, and design and use new materials for all 18 supported occupations will continue under the new project. The economic internal rate of return was not calculated at appraisal, as some of the key deliverables are not quantifiable.

D. Preliminary Assessment of Sustainability

48. The project is rated *likely sustainable*. The provision of employable skills to youth and unemployed adults is a high priority for the government, therefore supporting state budget for TVET operations will continue to be made available. Short courses are expected to provide a major boost to the financial resources of the primary vocational schools. The vocational components of the curriculum are being transformed into CBT modular blocks, which are stand-alone, certifiable short courses. This will enable the primary vocational schools to maximize the potential of nonstate budget revenues through short-course training in addition to income from production, rental of facilities, and other sources. Such revenues can be used to top up salaries of teachers and staff, and for training materials, supplies, and other operating expenses. In addition, support from industries and other social partners has been mobilized during project implementation. The establishment of the Skills Council further strengthens sustainability, as it enables the institutionalization of a number of TVET policies and systems at the national level. The continued support under the follow-on project will also help sustain the TVET reforms.

E. Impact

49. **Economic impact.** The increased training income will enable the primary vocational schools to supplement their state budget allocation, and pay for training materials and additional income for masters and teachers. Businesses will benefit through savings from lower training needs for new hires, and through increased productivity of a more skilled workforce. This, in turn, will contribute to the competitiveness and growth of the economy as a whole.

50. **Social impact.** The project has improved access to PVE, especially for wheelchair-bound students, the poor, and people living in rural areas. The project established living and learning environments for wheelchair-bound students, for example, through the addition of ramps and adjusted furniture, equipment, and sanitation facilities. Laboratories for some

occupations were moved from upper floors to the ground floor. Rehabilitated dormitories and facilities enable students from rural areas to get training, as a lack of dormitory spaces historically hindered enrollment and attendance of students who reside in remote areas. The rehabilitated schools and related facilities helped to improve the learning environment, making the schools more attractive to students, their parents, and communities. Project gender efforts were insufficient to increase TVET enrollment percentages of women. The follow-on project has a stronger gender orientation, with a clear action plan and earmarked resources under each output.

IV. OVERALL ASSESSMENT AND RECOMMENDATIONS

A. Overall Assessment

51. On the basis of the preceding assessment, the project is rated *highly relevant, effective, efficient, and likely sustainable*. Overall, the project is rated *successful*. The project was largely implemented as conceived and met the original objectives. The main achievements of the project were the (i) successful introduction of the CBT methodology for 18 priority occupations; (ii) improvement of the teaching and learning environment in 28 primary vocational schools (25 partners, and workshops in the 3 additional schools where the sewing course was piloted); (iii) mobilization of employers at the school and national levels; and (iv) establishment of the Skills Council, allowing TVET reforms to be institutionalized at the national level.

B. Lessons

52. **Choose sustainable implementation arrangements.** Although the same person headed the Agency for Vocational Education and the PIU, there was a lack of integration between the two organizations. The project activities were separately implemented and managed by the PIU without involving the staff of the Agency for Vocational Education. As a result, activities initiated under the project may slow down after the departure of the PIU consultants. An alternative is to embed the PIU within the existing administrative structure of the agency, involving key staff supported by PIU consultants. Such an arrangement will automatically mainstream project activities into the regular activities of the agency, thereby enhancing sustainability.

53. **Use a competitive funding mechanism to select schools for assistance.** If the criteria are not carefully determined, the government may select schools whose management and staff are not ready and/or committed to the objectives of the project or the changes it brings. Some of them behave with a sense of entitlement, which leads to complacency in achieving output targets or in adopting new systems and procedures. An alternative selection process is through a competitive funding mechanism. ADB and other donors have used this approach in different countries quite successfully. It forces eligible institutions to compete with each other by preparing funding proposals based on project guidelines. The guidelines specify priority programs that will be supported, eligible expenditure items, the maximum allowable amount per program, and the geographic coverage to ensure equitable representation. Training on how to prepare project proposals can be provided to all eligible institutions. A committee evaluates and selects the proposals worthy of support. Experience has shown that such an approach engenders a strong sense of ownership and commitment to deliver the promised results.

54. **Include a change management process.** In a project where a new mindset is crucial as new concepts, systems, and processes are introduced, a change management strategy has to be put in place anticipating the possible areas of resistance, and understanding the

underlying reasons and means for overcoming such resistance. This aspect is often overlooked, as in the case of this project.

C. Recommendations

1. Project Related

55. **Rationalization of the primary vocational education system.** During project implementation, the government agreed on an overall strategic framework and realized the first stage of rationalization. It is recommended to prepare a school mapping exercise to further rationalize the PVE system. The focus will be on the rationalization of curricular offerings and course content, staffing patterns, facilities sharing through a main regional resource center in each *oblast* (province), single management of a cluster of primary vocational schools, and regionalization of the Skills Council and of certain functions of the Agency for Vocational Education, such as planning, budgeting, and monitoring.

56. **School management.** It is recommended that the use of business plans become a regular activity of the Agency for Vocational Education. During project implementation, the use of business plans was considered a project activity by both the Agency for Vocational Education and school management of the primary vocational schools. It is recommended to strengthen the importance and significance of business plans for school management in future, to incorporate it into the day-to-day management of the schools and to transfer the oversight of the preparation and implementation of business plans to the Agency for Vocational Education during the follow-on project. Given the importance of school advisory boards in providing a local link between primary vocational schools and representatives of employers, it is necessary to further strengthen their functions. Every board should be involved in the planning of different school activities, and have a say in the use of funds and in the composition of the trainings to be provided by the school. In addition, lessons should be learned from the functioning school advisory boards, and they can be developed as models for all primary vocational schools.

57. **Learning materials.** It is recommended that the Republican Research and Methodology Resource Center support the development of the learning materials for the remaining 17 priority occupations (para. 26) on a priority basis during the follow-on project.

58. **Defective equipment.** It is recommended that the Agency for Vocational Education to further strengthen the capacity of the team of equipment specialists to take an inventory of the status of newly procured equipment, and to require from the supplier to repair or replace any that is found to be defective or nonfunctioning within the warranty period.

59. **National Professional Skills Development Council.** It is proposed that the Skills Council be granted the legal authority (through amendment of the decree) to approve and promulgate national policies on skills development, such as those needed for the CBT system and industry sector training plans and programs. Within the Skills Council, it is recommended to strengthen the focus on the country's main industries (construction, mining, energy, tourism, textiles and garments, transport, and agro-business) through the establishment of sector councils. This is being supported under the follow-on project.

60. **Timing of the project performance evaluation report.** The follow-on Second Vocational Education and Skills Development Project was approved in 2012 for a 5-year period. An evaluation should take place after the completion of that project in or after 2017.

2. General

61. **Project design.** The project design was largely appropriate, but included some overambitious performance targets (consolidation of the PVE system by merging primary vocational schools, establishment of mobile training workshops, introduction of a comprehensive information assets management system, and establishment of certification centers). For future projects, the design should be more consistent with available resources.

62. **Financing.** The project significantly improved the physical infrastructure of schools, including by rehabilitating facilities and delivering equipment, furniture, and consumables. In future, it is recommended that the government allocates sufficient funds for maintenance of the facilities and equipment and provides a budget for consumables, otherwise, there is a risk that the achievements under the project may be unsustainable.

63. **Procurement.** While the procurement procedures of ADB and the government are well established, their execution needs to be strengthened to avoid in the future the procurement of low-quality products and the preparation of incomplete technical specifications. A checklist needs to be provided by type of goods or services procured, with full compliance by suppliers needed for acceptance by the user and authorization for payment. Accountability needs to be fixed, and sanctions imposed for negligence or deliberate mischief.

64. **Phasing of technical and vocational education and training reform.** The project demonstrated that TVET reform takes time to be effective, and that the engagement of stakeholders, particularly industry, is slow. Engagement over 10–15 years, involving three or four project cycles and links to related programs for policy reform, is likely to provide the most effective and sustainable results.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Actual Outputs and Outcomes
<p>Impact</p> <p>Employability and income-earning opportunities of graduates from primary vocational schools improved</p> <p>Private-sector-led economic growth strengthened through availability of multiskilled labor</p>	<p>75% of primary vocational education (PVE) graduates obtain work in the formal sector or start their own businesses within 6 months of graduation</p> <p>Industry reports that time required to train/retrain graduates from PVE schools is reduced</p> <p>Youth unemployment rates reduced by 10% by 2011</p> <p>75% of adults participating in short skills training find employment or self-employment within 6 months after course completion</p> <p>Gross domestic product share of small and medium-sized enterprises increased to 50% by 2011.</p>	<p>Likely to be achieved. Results of tracer study showed that 73.8% of PVE graduates were employed within 6 months after graduation (61% wage-employed and 39% self-employed).</p> <p>Likely to be achieved. Results of employers' survey revealed that 19.4% of employers indicated less time is now required to retrain graduates of PVE, 23.1% expressed satisfaction with theoretical skills of graduates and 28.4% with their practical skills.</p> <p>Unlikely to be achieved. In 2011, youth unemployment rate (15–28 years of age) was 14%.</p> <p>Likely to be achieved. The tracer study found that 65.9% of short-course participants were employed within 6 months after completion (66% wage-employed and 34% self-employed).</p> <p>Unlikely to be achieved. In 2011, gross domestic product (GDP) share of small and medium-sized enterprises was 41.4 % (National Statistics Committee, 2011).</p>
<p>Outcome</p> <p>Enhanced equitable access to and improved quality and relevance of primary vocational education and short term skills training</p>	<p>Enrollments in primary vocational schools (PVS) increased by 15% by 2012</p> <p>Participation of adults and out-of-school youth in short skills-training courses increased to 6,000 participants by 2012</p> <p>Employers actively involved in skill identification and course development</p> <p>Enrollment of females increased to 45%.</p>	<p>Achieved. Enrolment in long-term courses of PVSs increased from 25,525 in SY 2005/06 to 32,009 in 2011.</p> <p>Achieved. In 2011, 12,431 persons were trained in short courses.</p> <p>Achieved. 137 experts from industries were involved in the development of occupational standards and curriculums for 18 key occupations.</p> <p>Not achieved. Female enrollment in PVSs was 31% throughout the project for long courses, equal to the baseline. The share of female trainees is expected to increase as short courses for light industry and other female-dominated occupations are rolled out.</p>
<p>Output 1</p> <p>PVE system consolidated and modernized</p>	<p>Consolidation strategy in place by June 2007</p> <p>PVE schools consolidated or merged according to the strategy by December 2010</p>	<p>Achieved. Consolidation strategy agreed per memorandum of understanding (MOU) signed between the Minister of Labor, Employment and Migration and ADB in February 2010.</p> <p>Achieved. 31 PVSs consolidated into 25 schools as first phase of the consolidation process.</p>

Design Summary	Performance Targets/Indicators	Actual Outputs and Outcomes
	<p>New asset management system in place by 12/2007</p> <p>All PVSs develop annual business plans by December 2009</p> <p>Income generated by PVSs increased to Som100 million by 2011</p> <p>A new certification system established by December 2009</p> <p>Consolidated and rehabilitated facilities will be 100% utilized during the school year and further operated during lean periods for short courses by 2011</p> <p>50% of all PVS have established advisory boards by 2009; 100% by 2011</p>	<p>Achieved. The management information system (MIS) was in place starting in June 2011 with focus on school operations including basic school data on enrollment, graduates, staff, registry of certified workers, and monitoring of business plans.</p> <p>Achieved. In 2009, business plans were developed by all PVSs. The 25 PVSs supported under the project updated the business plans in 2010, 2011, and 2012.</p> <p>Partly achieved. In 2011, total income generated by the PVSs was Som82.5 million.</p> <p>Achieved with delays. A new certification system was developed and applied in the 18 priority occupations in 2011.</p> <p>Partly achieved. Full utilization of rehabilitated facilities started by 2011 during the school year. The roll out of the short courses during the lean season is not yet finalized.</p> <p>Achieved. School Advisory Boards were established in all 110 PVSs in line with Agency for Vocational Education (AVE) Order dated August 2011.</p>
<p>Output 2 Teaching and learning environments in PVSs are rehabilitated and upgraded</p>	<p>200 training workshops rehabilitated and equipped by 2010</p> <p>Improved access for physically disabled in 20 rehabilitated PVE schools by 2010</p> <p>20 dormitories are rehabilitated by 2009</p>	<p>Partly achieved. Civil works in 158 workshops were completed in December 2011; equipment was delivered and installed in December 2012.</p> <p>Achieved, with delays. 31 rehabilitated PVSs were provided with ramps to improve access for physically disabled by 2012.</p> <p>Achieved, with delays. 25 dormitories were rehabilitated by 2012.</p>
<p>Output 3 Curriculum and teaching and learning materials developed</p>	<p>A system to regularly revise and update curriculum modules is established by August 2007 and new curriculum modules are introduced by December 2007</p> <p>New skills and education standards for 10 trades developed by May 2008</p>	<p>Achieved, with delays. The introduction of competency-based training (CBT) methodology in 2011 provides for continuous development and updating of curriculum and learning materials as competency standards are developed for various occupations.</p> <p>Achieved, with delays. Competency standards for 18 priority occupations were developed by experts from industry and approved by the National Professional Skills Development Council (NPSDC).</p>

Design Summary	Performance Targets/Indicators	Actual Outputs and Outcomes
	<p>Active industry participation in development of curriculum and standards at national and school level</p> <p>A system to revise and develop training materials regularly is established by September 2007 and new training materials are developed and distributed by May 2008</p>	<p>Achieved. Industry actively participated in the following project activities:</p> <ul style="list-style-type: none"> ▪ formulation of technical and vocational education and training qualification framework involving 37 industry experts, masters and teachers; ▪ development of competency standards and assessment tools for 18 priority occupations involving 127 experts from 22 partner industry associations and enterprises; and ▪ training of 82 industry experts as certified assessors to conduct independent assessment and certification of graduates and workers. <p>Achieved, with delays. The introduction of CBT methodology in 2011 provides for continuous development and updating of curriculum and learning materials as competency standards are being developed for various occupations.</p> <p>The Retraining Centre was upgraded into the Republican Research and Methodology Centre, which will function as a</p> <ul style="list-style-type: none"> ▪ training arm of AVE for teachers and for management development, ▪ research center for new approaches and methodologies on education technology, and ▪ venue for activities of councils for various industry sectors, which will represent their sectors in the NPSDC.
<p>Output 4 Human resources development (HRD) plan implemented</p>	<p>HRD plan developed by June 2007</p> <p>200 school principals, deputies, and administrators trained by 2010</p> <p>1,300 instructors trained by 2010</p> <p>50 curriculum and training material specialists trained by December 2009</p>	<p>Partly achieved with delays. Initial HRD plan was prepared in 2010 but put on hold pending the restructuring of the AVE.</p> <p>Achieved. Trained 261 PVS staff on business planning, 109 staff on strengthening managerial capacity, 63 staff in computer literacy, 97 staff on the use of MIS, 46 workers on the use of accounting software, and 25 workers on innovative methods of career guidance.</p> <p>Partly achieved, with delays. 124 masters trained in 2011 who will train the rest of the masters and teachers.</p> <p>Achieved, with delays. 140 teachers and masters were trained in curriculum and training material development as of 2011.</p>

Activities	Start Date	End Date	Completed	Progress/Status
1. PVE system consolidated and modernized				
1.1 Develop a consolidation strategy by June 2007	29 Jan 2007	30 Jun 2007	Yes	Consolidation strategy has been in place since February 2010 (memorandum of understanding signed between Minister of Labor and ADB).
1.2 Establish and register pilot complex schools by September 2007	30 Jun 2007	30 Sep 2007	Yes	12 schools have been consolidated into 6 complex schools, and 19 individual schools have been upgraded to regional resource centers in line with the consolidation strategy.
1.3 Develop a new assets management system and vocational education and training management information system (VET-MIS) by September 2007	30 Jun 2007	30 Sep 2007	Yes	The VET-MIS has been in place since June 2011.
1.4 Develop a strategy to increase short-term skills courses for out-of-school youth and adults by October 2007	30 Jun 2007	31 Oct 2007	Yes	Action plan for the development of short-term courses for 18 occupations, supported under the project, has been prepared and is being implemented.
1.5 Establish school boards at PVSs by September 2007	30 Jun 2007	30 Sep 2007	Yes	School advisory boards for the 25 PVSs supported under the project were established by AVE Order on 16 April 2010. A 2-day workshop was conducted on 20–21 December 2011 for school advisory board members to improve the understanding of their function.
1.6 Develop and establish a skills testing and certification scheme system by December 2008	8 Feb 2008	31 Dec 2008	Yes	A new certification system has been developed for 18 occupations supported under the project.
2. Teaching and learning environments in PVSs are rehabilitated and upgraded				
2.1 Agree on selection criteria for rehabilitation and upgrading of schools and establish the selection committee by June 2007	31 May 2007	30 Jun 2007	Yes	An agreement on the selection criteria for rehabilitation and upgrading of PVSs was reached in February 2010.
2.2 Identify priority schools for rehabilitation according to agreed criteria including the revised business plan by August 2007	31 Jul 2007	31 Aug 2007	Yes	Priority schools were identified in February 2010. All selected schools have prepared business plans, and are updating these annually.
2.3 Prepare tender documents and contract companies for first set of rehabilitation works by November 2007; start rehabilitation works 6 months after contract completion	31 Oct 2007	30 Nov 2008	Yes	All civil works were completed in December 2011.
2.4 Conduct tender and procure equipment and teaching aids by November 2007 and install	31 Aug 2007	31 Dec 2008	Yes	The procurement contract for training equipment was signed on 12 December 2011,

Activities	Start Date	End Date	Completed	Progress/Status
equipment 1 month after rehabilitation of workshops is completed				equipment was delivered in the second quarter (Q2), and installed in Q3 and Q4 2012.
3. Curriculum and teaching and learning materials developed				
3.1 Establish teams to review curriculum modules of specific trades by July 2007	1 Jun 2007	31 Jul 2007	Yes	Teams to review curriculum modules were established in May 2011.
3.2 Develop new modular CBT curriculum and aligned skills and education standards by August 2007	1 Jul 2007	31 Aug 2007	Yes	A series of 12 workshops were organized to develop standards and curriculum for 18 occupations.
3.3 Select schools and establish teams for material development by October 2007	1 Aug 2007	31 Oct 2007	Yes	Teams for material development were selected in July 2011.
3.4 Develop and distribute new training materials by December 2007	31 Oct 2007	31 Dec 2007	Yes	Training materials for the pilot have been developed and distributed.
4. Human resource development plan implemented				
4.1 Develop a comprehensive HRD plan by August 2007	1 Jul 2007	31 Aug 2007	Yes	The initial HRD plan was prepared in 2010
4.2 Establish a nationwide in-service training system for instructors by 12/2007 and start training programs by 03/2008	30 Nov 2007	31 Mar 2008	Yes	140 masters-multipliers were trained on new training methods
4.3 Develop and conduct training programs to utilize new training equipment by 03/2008	1 Feb 2008	31 Mar 2008	Yes	Training was completed on 5 October 2012
4.4 Develop entrepreneurship training programs and start implementation by 10/2007	1 Sep 2007	31 Oct 2007	Yes	Training programs were developed in March 2012
4.5 Develop training programs to introduce the new assessment system by 08/2008	1 Feb 2008	31 Mar 2008	Yes	Training programs were developed in March 2012.
4.6 Develop a monitoring system to assess whether practical training and student centered training methods are applied, and conduct regular inspection by June 2008	31 May 2008	30 Jun 2008	Yes	Monitoring system completed and regular inspections initiated in June 2012.

PROJECT COSTS BY FINANCIER—APPRAISAL VERSUS ACTUAL
(\$)

Item	Appraisal Estimates	Actual Expenditures	Balance
Financing sources			
ADB grant	10,000,000	9,578,058	421,942
Government	3,000,000	2,445,770 ^a	554,230
Total: Financing sources	13,000,000	12,023,828	976,172
Funds utilization			
1. Rehabilitation works	2,607,488	3,210,241	(602,753)
1. ADB	2,026,000	2,632,413	(606,413)
2. Government	581,488	577,828	3,660
2. Furniture and equipment	6,458,048	5,859,927	598,121
1. ADB	5,419,000	4,866,001	552,999
2. Government	1,039,048	993,926	45,122
3. Materials	609,398	339,431	269,967
1. ADB	550,000	280,033	269,967
2. Government	59,398	59,398	0
4. Trainings	260,000	288,763	(28,763)
1. ADB	260,000	288,763	(28,763)
5. Consulting services	1,078,181	1,328,593	(250,412)
1. ADB	841,000	1,101,341	(260,341)
2. Government	237,181	227,252	9,929
6. Project management	348,747	473,453	(124,706)
1. ADB	283,000	409,504	(126,504)
2. Government	65,747	63,949	1,798
7. Recurrent costs	534,705	523,417	11,288
Government including:	534,705	523,417	11,288
1. Payment of taxes and customs duties		439,786	
2. Social charges (employer's contribution of Social Fund)		64,057	
3. Other expenses (repair of PIU office, furniture)		19,574	
8. Unallocated	1,103,434		
1. ADB	621,000		621,000
2. Government	482,434		482,434
Total: Funds utilization	13,000,000	12,023,828	976,172
1. ADB	10,000,000	9,578,058	421,942
2. Government	3,000,000	2,445,770 ^a	554,230

() = negative, ADB = Asian Development Bank, PIU = project implementation unit.

^a The audited project financial statement for fiscal year 2012 shows \$2,457,374 as government contribution until the end of 2012. The \$11,604 discrepancy is due to exchange rate difference.

DISBURSEMENTS
(\$)

2009	2010	2011	2012	2013	Total
290,707.24	755,585.61	2,847,979.16	5,046,230.78	595,555.89	9,578,058.68

IMPREST ACCOUNT TURNOVER RATIOS^a

Project Period	2008	2009	2010	2011	2012	
	1.85	0	0.47	0.90	4.99	2.60

^a Cumulative amount of liquidation/average amount of the advance.

CONTRIBUTION TO THE ADB RESULTS FRAMEWORK

Level 2 Results Framework Indicators	Target	Actual	Comments
Teachers trained with quality or competency standards (number) Male / Female; TVET	200	722 No disaggregation available	It was targeted to have 200 school principals, deputies and administrators trained. During implementation, 121 masters and teachers were trained in the delivery of competency-based training courses, 261 staff on business planning, 109 staff on managerial capacity, 63 on computer literacy, 97 on the uses of the management information system, 46 on the use of accounting software, and 25 on innovative methods of career guidance.
Students benefiting from new or improved educational facilities (number) ^a Male / Female		30,049 Male: 21,301/ Female: 8,748	The total enrollment for 2013-2014 is 30,049.
Students educated and trained under improved quality assurance systems (number) ^a Male / Female; TVET		14,634 Male: 10,390/ Female: 4,244	Total number of students trained in 2012-2013 on occupations supported under first ADB project is about 14,634 students.

TVET = technical and vocational education and training

^a No targets were set as the new results framework indicators were developed after project completion.

PROJECT IMPLEMENTATION SCHEDULE

Output 1. Consolidation and Modernization of the Primary Vocational Education System

Major Activities	2007				2008				2009				2010				2011				2012			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Develop and implement consolidation strategy																								
<i>Actual</i>																								
Establish "Complex" schools																								
<i>Actual</i>																								
Introduce new assets management system																								
<i>Actual</i>																								
Develop strategies to increase training opportunities for adults																								
<i>Actual</i>																								
Establish school boards at primary vocational schools																								
<i>Actual</i>																								
Develop and establish a certification system																								
<i>Actual</i>																								

Output 2. Improving Teaching and Learning Environments

Major Activities	2007				2008				2009				2010				2011				2012			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Select schools for rehabilitation and upgrading																								
<i>Actual</i>																								
Identify priority schools for rehabilitation to agreed criteria																								
<i>Actual</i>																								
Prepare technical specifications and tender documents																								
<i>Actual</i>																								
Conduct tendering and conclude contracts with selected companies																								
<i>Actual</i>																								
Rehabilitate schools																								
<i>Actual</i>																								
Provide equipment																								
<i>Actual</i>																								

Output 3. Development of Curriculum and Teaching and Learning Materials

Major Activities	2007				2008				2009				2010				2011				2012			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Establish expert groups for curriculum revision																								
<i>Actual</i>																								
Revise curriculum modules																								
<i>Actual</i>																								
Select schools and establish teams for material development																								
<i>Actual</i>																								
Develop and distribute new training materials																								
<i>Actual</i>																								
Establish a new assessment system																								
<i>Actual</i>																								

Output 4. Human Resource Development

Major Activities	2007				2008				2009				2010				2011				2012			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Develop a human resource development plan																								
<i>Actual</i>																								
Establish in-service training system for instructors and conduct training accordingly																								
<i>Actual</i>																								
Conduct training on new equipment																								
<i>Actual</i>																								
Prepare entrepreneurship training and conduct training programs																								
<i>Actual</i>																								
Develop training to introduce new assessment system																								
<i>Actual</i>																								
Assess whether student-centered training methods are applied																								
<i>Actual</i>																								

Project Management

Major Activities	2007				2008				2009				2010				2011				2012			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Establish project steering committee and project implementation unit																								
<i>Actual</i>																								
Annual audit																								
<i>Actual</i>																								
Midterm review																								
<i>Actual</i>																								
Completion review																								
<i>Actual</i>																								

STATUS OF COMPLIANCE WITH GRANT COVENANTS

Covenants	Loan Agreement	Status of Compliance
<p>1. In the carrying out of the Project and operation of the Project facilities, the Recipient shall perform, or cause to be performed, all obligations set forth in Schedule 4 to this Grant Agreement.</p>	<p>Grant Agreement (GA), Section 4.01</p>	<p>Complied with</p>
<p>2. The Recipient shall (i) maintain, or cause to be maintained, separate accounts for the Project; (ii) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; (iii) furnish to ADB, as soon as available but in any event not later than 6 months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the Grant proceeds and compliance with the financial covenants of this Grant Agreement as well as on the use of the procedures for imprest account/statement of expenditures), all in the English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.</p>	<p>GA, Section 4.02 (a)</p>	<p>Complied with</p>
<p>3. The Recipient shall enable ADB, upon ADB's request, to discuss the Recipient's financial statements for the Project and its financial affairs related to the Project from time to time with the auditors appointed by the Recipient pursuant to Section 4.02(a) here above, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB, provided that any such discussion shall be conducted only in the presence of an authorized officer of the Recipient unless the Recipient shall otherwise agree.</p>	<p>GA, Section 4.02 (b)</p>	<p>Complied with</p>

Covenants	Loan Agreement	Status of Compliance
4. The Recipient shall enable ADB's representatives to inspect the Project, the Goods financed out of the proceeds of the Grant, and any relevant records and documents.	GA, Section 4.03	Complied with
Project Specific Covenants Execution of Project and Operation of Project Facilities		
5. The Agency shall be the Project Executing Agency responsible to the carrying out of the Project. The Agency shall appoint a Project Director to coordinate the overall implementation of the Project activities.	GA, Schedule 4, para. 1	Complied with
Project Steering Committee (PSC)		
6. The Recipient shall establish PSC to provide strategic guidance and monitor the Project implementation. PSC shall be chaired by a Vice Prime Minister, and consist of the representatives of the Agency, Ministry of Finance, the Office of the Prime Minister, the Chamber of Industry and Commerce, the Confederation of Employers, and the Civil Association "Forum of Education Initiatives". The Recipient shall ensure that PSC meets quarterly or as often as required and representatives of GTZ and Helvetas participate in PSC meetings as observers.	GA, Schedule 4, para. 2	Partially complied with The Project Steering Committee, once established was expected to meet quarterly or as often as required. Last meeting of PSC was held in June 2009.
Project Implementation Unit (PIU)		
7. The Recipient shall ensure that the Agency establishes PIU to be responsible for day-to-day implementation of the Project. The Recipient shall ensure that, throughout the Project implementation, PIU is provided by an adequate office space within the Agency, and remains staffed by a project manager, a procurement specialist, a finance specialist, a monitoring and evaluation specialist, an accountant, an administrative assistant, and part-time interpreters. The project manager shall be responsible for the overall implementation of the Project activities. PIU shall report to the Project Director and provide quarterly progress reports to the Agency, PSC, and ADB.	GA, Schedule 4, para. 3	Complied with

Covenants	Loan Agreement	Status of Compliance
<p>Detailed Project Implementation Plans</p> <p>8. The Recipient shall ensure that the Agency develops a detailed implementation plan for each year of Project implementation that will identify (a) activities, (b) schedules, (c) responsibilities, (d) required inputs, including funding and human resources requirements for each Project component. The detailed implementation plan approved by PSC shall be submitted to ADB by the end of each preceding year.</p>	GA, Schedule 4, para. 4	Complied with
<p>Counterpart Funding</p> <p>9. The Recipient shall ensure that, throughout the Project implementation: (a) adequate budget funds are allocated and released in a timely manner to cover (i) the costs in support of training programs, and (ii) the incremental recurrent costs of O&M of all selected primary vocational schools (PVSs) under the Project; (b) sufficient and qualified staff are provided, and adequate budget funds are allocated and released in a timely manner to the Agency for regular review and updates of curriculum to ensure that training programs are refocused on the needs on the labor market; and (c) information on allocations and actual expenditures for the primary vocational education (PVE) system is provided to ADB through the annual reports, in a form acceptable to ADB.</p>	GA, Schedule 4, para. 5	Complied with
<p>Consolidation Strategy</p> <p>10. The Recipient shall:</p> <p>(a) approve, by no later than six (6) months of the Effective Date, a consolidation strategy for the PVE system, satisfactory to ADB;</p> <p>(b) implement, within three (3) years of the Effective Date, the measures identified in the consolidation strategy; and</p> <p>(c) increase, throughout the Project implementation, annual budget allocations for the PVE system to cover the O&M costs.</p>	GA, Schedule 4, para. 6	<p>Complied with (late)</p> <p>(a) In February 2010, the Government and ADB agreed on a revised strategic direction and new consolidation plan.</p> <p>(b) First phase of consolidation strategy, the establishment of 25 urban regional resource centers, has been completed.</p> <p>(c) Throughout the project period, the public expenditure on PVE as a share of public expenditure on education has increased from 3.5% to 5.4%.</p>

Covenants	Loan Agreement	Status of Compliance
<p>Legal Environment</p> <p>11. The Recipient shall establish, by no later than twelve (12) months of the Effective Date, the legal environment to enable:</p> <p>(a) the Agency to manage, sell and rent out current assets, and to reallocate staff of PVS; and</p> <p>(b) PVS to keep revenues earned through training courses and marketing of services and goods.</p>	GA, Schedule 4, para. 7	<p>Modified. During the ADB inception mission, it was agreed to replace the word “sell” with “transfer ownership.”</p> <p>Complied with</p>
<p>Consultative Forum</p> <p>12. The Recipient shall establish, within six (6) months of the Effective Date, the procedures for regular review of the results of labor market research and employment forecasts by a forum of leading business associations and chambers and for incorporating their comments in the curriculum development.</p>	GA, Schedule 4, para. 8	Complied with
<p>School Advisory Boards</p> <p>13. The Recipient shall establish, within six (6) months of the Effective Date, the detailed procedures for the operation of school advisory boards. Each of advisory board shall consist of local employers, nongovernment organizations and community representatives, and shall (a) guide school managements in developing annual business plans, (b) assist in identifying skill demands and adjusting training programs accordingly, (c) participate in designing and/or revising of training courses and examinations, and (d) promote on-the-job training and apprenticeship opportunities.</p>	GA, Schedule 4, para. 9	Complied with

Covenants	Loan Agreement	Status of Compliance
<p>Selection Committee</p> <p>14. The Recipient shall ensure that the Agency establishes, within two (2) months of the Effective Date, the Selection Committee to review business plans and select PVS. The Selection Committee shall consist of five (5) members, including representatives from each of the Agency, employers, civil society, and development partners. The key criterion for the selection of schools will be the impact of the training courses on employability and income earning opportunities of participants.</p>	GA, Schedule 4, para. 11	Complied with
<p>Mobile Training Workshops (MTWs)</p> <p>15. The Recipient shall ensure that:</p> <p>(a) MTWs are based in and managed by complex schools selected by the Selection Committee;</p> <p>(b) necessary training equipment for MTWs is identified during the first year of Project implementation; and</p> <p>(c) further administrative arrangements for operation of MTWs are agreed with the Selection Committee.</p>	GA, Schedule 4, para. 13	<p>Not complied with</p> <p>MTWs were to be procured and managed by complex schools. The intention was to serve schools not served under the project, particularly schools in remote villages. In February 2010, the government and ADB agreed on a consolidation with complex schools and regional resource centers. These regional resource centers are expected to share their resources with other unserved schools in the region, including schools in remote villages. With the creation of the regional resource centers, MTWs were no longer considered necessary.</p>
<p>Training</p> <p>16. The Recipient shall, during the first year of the Project implementation, develop and agree with ADB the criteria for the selection of national training providers, and candidates for training under the Project.</p>	GA, Schedule 4, para. 14	Complied with

Covenants	Loan Agreement	Status of Compliance
<p>Transparency and Anticorruption</p> <p>17. The Recipient shall ensure that (a) relevant provisions of ADB's Anticorruption Policy (1998, as amended to date) are included in all bidding documents; (b) all contracts financed by ADB in connection with the project include provisions specifying the right of ADB to audit and examine the records and accounts of Agency and all contractors, suppliers, consultants, and other service providers as they relate to the Project; and (c) an audit of procurement activities is carried out at least twice during the Project implementation.</p>	GA, Schedule 4, para. 15	Complied with
<p>18. The Recipient shall establish, within six (6) months from the Grant effectiveness, the Agency's website that will present information on the Project progress, including information on, among other things, the schools selected under the Project, current training programs of PVE system, procurement activities, including the list of participating bidders, names of the winning bidders, basic details on the adopted bidding procedures, amounts of the contracts awarded, the list of goods and/or services purchased, and their intended and actual utilization.</p>	GA, Schedule 4, para. 16	Complied with
<p>Project Performance Management System</p> <p>19. The Agency shall establish, within one (1) month of the Effective Date, the Project performance management system to monitor the Project implementation progress and evaluate the Project impacts based on the key baseline indicators agreed between the Agency and ADB. This will include, among other things, the monitoring and evaluation of: (a) participation of disabled students and students from poor families in the PVS; (b) integration of new equipment in curriculum and lesson plans, and their utilization by students; (c) application of new knowledge and skills by managers and instructors trained under the Project; and (d) employability of PVS graduates.</p> <p>The Agency shall adjust the annual implementation plans based on the monitoring results.</p>	GA, Schedule 4, para. 17	Complied with

Covenants	Loan Agreement	Status of Compliance
<p>Review 20. ADB and the Recipient shall review the Project on a semiannual basis to assess progress under the Project components, identify issues and constraints, and determine necessary remedial actions and adjustments. A midterm review shall be conducted at the end of the second year of the Project implementation. The midterm review shall (a) review the scope, design, and implementation arrangements, and identify adjustments required; (b) assess progress of the Project implementation against the agreed performance indicators; and (c) recommend changes in the design or implementation arrangements, if necessary.</p>	<p>GA, Schedule 4, para. 18</p>	<p>Inception review was fielded in November 2008. First review mission was conducted in April 2009. Second review mission was conducted in September 2009. Third review mission was in February 2010, Forth review mission was in November 2010. Medium-term mission was conducted in April 2011. Fifth review mission was conducted in November. Sixth review mission was in March 2012.</p>
<p>Reporting 21. The Agency shall provide ADB with: (a) PSC approved quarterly reports on project implementation, within thirty (30) days after the end of each quarter; and (b) the Project completion report, within three (3) months after completion of the Project.</p>	<p>GA, Schedule 4, para. 19</p>	<p>Complied with</p>

CONTRACTS FOR CONSULTING SERVICES

Consultant Expertise	Contract Start and Completion Date	Amount Paid (\$)
Local legal counsel	28 Jul 2008 31 May 2009	5,507.17
Organizational development specialist	26 Aug 2008 3 Aug 2010	60,197.42
Audit (firm)	7 Apr 2009 1 Jun 2009	3,395.43
Primary vocational education reforms (firm)	30 Apr 2009 15 Jun 2012	647,977.30
Technical and vocational education and training (TVET) system	1 Feb 2010 28 Oct 2011	18,773.60
Engineering design and estimates	25 Mar 2010 30 Sep 2010	39,132.00
TVET specialist	15 Aug 2011 14 Nov 2011	48,797.71
Local procurement specialist	6 Aug 2010 31 Dec 2010	4,522.76
Lawyer (preparation of package of documents to pilot per capita financing)	2 Sep 2010 31 Dec 2010	2,407.00
Accountant (preparation of package of documents to pilot per capita financing)	2 Sep 2010 31 Dec 2010	2,240.17
Coordinator of per capita financing	2 Sep 2010 4 Feb 2011	3,176.00
Information technology consultant for management information system	10 Dec 2010 10 Dec 2011	16,600.00
Local consultant for introduction of 1C accounting software	25 Feb 2011 29 Jun 2012	2,590.00
International community-based training specialist	19 Apr 2011 16 May 2011	34,508.54
National consultant—competency-based training	5 May 2011 31 Oct 2011	4,150.00
Competency-based training facilitators	1 Jun 2011 27 Oct 2011	7,897.48
Conducting tracer study of graduates of primary vocational schools	14 Sep 2011 16 Dec 2011	12,375.00
Organizational development and training specialist	26 Sep 2011 27 Dec 2011	2,075.00
TVET specialist	15 Sep 2011 30 Jun 2012	25,384.78
Competency-based training	28 Oct 2011 30 June 2012	28,993.30
Monitoring and evaluation specialist assistant	14 Sep 2011 31 Dec 2012	4,621.23
Lawyer	14 Nov 2011 14 Feb 2012	913.00

Consultant Expertise	Contract Start and Completion Date	Amount Paid (\$)
Career guidance specialist	14 Feb 2012 16 May 2012	3,105.72
Research (sector maps)	16 Apr 2012 19 Nov 2012	12,434.06
Engineer (supervision of delivery and Installation of Equipment)	10 Apr 2012 8 Jul 2012	1,940.06
International Competency Based Training Specialist	24 Apr 2012 31 Aug 2012	16,222.53
International TVET Specialist	23 Apr 2012 31 Aug 2012	21,164.17
Per Capita Financing Consultants	16 May 2012 11 Apr 2013	6,349.52
International Procurement Specialist	20 May 2012 30 Jun 2102	16,999.23
Total		1,054,450.18

PROCUREMENT CONTRACT PACKAGES

Item	Name of contractor	Contract Amount (\$)	Amount Paid (\$)	Mode of Procurement	Contract Date	Completion Date
Purchase of PIU office equipment	Neimyshev Private Company	7,308.87	7,308.87	Shopping	22 Apr 2008	
Computer equipment for workshop	New Tech Company	10,634.74	10,634.74	Others	17 Jun 2010	15 Jul 2010
Classroom furniture for workshops	Primacom	3,178.91	3,178.91	Others	17 Jun 2010	15 Jul 2010
Furniture for dormitory	LLC Ziar Stroy	12,001.61	12,001.61	Direct Purchase	2 Aug 2010	31 Aug 2010
Civil works rehabilitation VS 20	Bulan Stroy	86,279.65	86,279.65	LCB	2 Sep 2010	31 Dec 2010
Package 1 Lot 3 rehabilitation VS 91		71,640.37	71,640.37	LCB	2 Oct 2010	31 Dec 2010
Lot 4 VS 94		94,079.70	94,079.70	LCB	2 Sep 2010	31 Dec 2010
Lot 2 rehabilitation of VS 100	J&B Universal Service	90,931.21	90,931.21	LCB	2 Sep 2010	21 Oct 2010
Lot 6 rehabilitation of VS 3		50,967.57	50,967.57	LCB	20 Apr 2011	20 Apr 2011
Lot 5 rehabilitation of VS 5	Ziar Stroy	69,470.81	69,470.81	LCB	2 Sep 2010	21 Oct 2010
Rehabilitation of VS 85	Rebservice	91,102.29	91,102.29	LCB	2 Sep 2010	21 Oct 2010
Rehabilitation of VS 89	Leonsia	128,769.32	128,769.32	LCB	22 Sep 2010	31 Dec 2010
Rehabilitation of VS 39	Toktugul Kurulush	102,894.39	102,894.39	LCB	22 Sep 2010	31 Dec 2010
Rehabilitation of VS 52	AIS-T	42,456.36	42,456.36	LCB	22 Sep 2010	13 Mar 2012
Rehabilitation of VS 102	Rodnik	72,049.59	72,049.59	LCB	22 Sep 2010	31 Dec 2010
Rehabilitation of VS 35		7,837.53	7,837.53	LCB	22 Sep 2010	31 Oct 2010

Item	Name of contractor	Contract Amount (\$)	Amount Paid (\$)	Mode of Procurement	Contract Date	Completion Date
Rehabilitation of VS 25	J&B Universal Service	73,571.20	73,571.20	LCB	22 Sep 2010	31 Dec 2010
Rehabilitation of VS 90	Talas MSPMK	92,578.99	92,578.99	LCB		
Rehabilitation of VS 13		82,919.52	82,919.52	LCB	22 Sep 2010	31 Dec 2010
Lot 4 rehabilitation of training workshops computer classes and dormitories	Ziar Stroy	106,194.42	106,194.42	LCB	2 Nov 2010	7 Sep 2011
Lot 5 rehabilitation of training workshops computer classes and dormitories VS 42/82	Rebservice	87,949.93	87,949.93	LCB	2 Nov 2010	31 Jan 2011
Lot 1 rehabilitation of VS 12 Osh	USTA	98,299.41	98,299.41	LCB	10 Sep 2010	21 Jan 2011
Rehabilitation of VS 67 Gulcha Village Alay Region	Alayayilkomok FC	93,834.40	93,834.40	LCB	5 Jan 2011	5 Apr 2011
MIS equipment	Sino	22,889.83	22,889.83	Limited tender	18 Mar 2011	12 Apr 2011
Computer equipment for MIS for 25 PVS	Inside Trade	50,318.46	50,318.46	Limited tender	4 Apr 2011	4 May 2011
Civil works VS 87 rehabilitation of training workshops computer classes and dormitories	Ekaras-5	92,507.65	92,507.65	LCB	9 Jun 2011	9 Sep 2011
Package 4 Lot 5 VS 86	BS Group Story	113,750.42	113,750.42	LCB	18 May 2011	18 Sep 2011
Sewing machines	Inside Trade	81,710.56	81,710.56	Limited	1 Jul 2011	31 Jul 2011

Item	Name of contractor	Contract Amount (\$)	Amount Paid (\$)	Mode of Procurement	Contract Date	Completion Date
for 3 PVEs				tender		
Rehabilitation of training workshops computer classes and dormitories VS 105	Talas MSPMK	187,947.07	187,947.07	LCB	14 Jul 2011	11 Nov 2011
VS No. 38 Krool Village rehabilitation	Kerbenjolkurulish	114,517.13	114,517.13	LCB	14 Jul 2011	11 Nov 2011
Rehabilitation of VS 57, 70, and 73		236,947.96	236,947.96	LCB	14 Jul 2011	11 Nov 2011
Rehabilitation of VS 63	Toktogul Kurulush	171,656.33	171,656.33	LCB	14 Jul 2011	11 Nov 2011
Wi-fi setup for 36 computers	Asanov Tabyldy	1,846.06	1,846.06	Others	8 Jul 2011	26 Sep 2011
Rehabilitation of tailoring workshop VSs 18, 95, and 17	Ziar Story	21,513.48	21,513.48	Limited tender	8 Sep 2011	8 Oct 2011
VS No. 16 repair of tailoring workshop	Kerbenjolkurulish	3,582.55	3,582.55	Limited tender	8 Sep 2011	8 Oct 2011
Repair tailoring workshop VS 110	Talas MSPMK	5,553.35	5,553.35	Limited tender	8 Sep 2011	8 Oct 2011
Procurement of furniture for vocational schools	Full Mobili	391,932.64	391,932.64	NCB	22 Nov 2011	31 Dec 2011
Printing machine package	Sinobase	82,613.16	82,613.16	Limited tender	8 Dec 2011	18 Dec 2011
Training equipment Lot 1	SHB Global Services	1,799,803.55	1,799,803.55	ICB	12 Dec 2011	31 Mar 2012
Procurement of training equipment Lot 2		1,498,130.51	1,498,130.51	ICB	12 Dec 2011	31 Mar 2012
Bedding supplies for PVS	PE Shayahmetova Z.A.	74,996.81	74,996.81	Limited tender	17 Jan 2012	17 Feb 2012

Item	Name of contractor	Contract Amount (\$)	Amount Paid (\$)	Mode of Procurement	Contract Date	Completion Date
Goods for awareness campaign	Propeller Plus	8,833.34	8,833.34	Direct Purchase	6 Dec 2011	
Accounting software 1C	1C Kato Economics	36,567.11	36,567.11	Limited tender	27 Feb 2012	11 Jan 2013
Additional civil works rehabilitation of training workshops computer classes and dormitories in VS. 70	Kerbenjolkurulish	19,184.71	19,184.71	Direct Purchase	20 Feb 2012	20 Mar 2012
Small tools for training equipment	SHB Global Services	246,437.68	246,437.68	LCB	28 Mar 2012	15 Jun 2012
Small tools for training equipment		277,081.05	277,081.05	LCB	29 Mar 2012	15 Jun 2012
Small tools for training equipment Lot 4	AT Empire	262,610.60	262,610.60	LCB	11 Apr 2012	31 May 2012
Rehabilitation works retraining center	Bulan Stroy	81,804.54	81,804.54	Direct Purchase	10 Apr 2012	15 Jun 2012
Procurement of posters for PVSs	Skylink	81,940.36	81,940.36	Direct Purchase	16 Apr 2012	19 Jun 2012
Duplication of developed materials	Adal Print	11,111.64	11,111.64	Direct Purchase	2 May 2012	1 Jul 2012
Equipment for retraining center	Sinobase	23,302.55	23,302.55	Others	6 Aug 2012	16 Sep 2012
Furniture for retraining center	Full Mobill	11,801.05	11,801.05	Others	10 Aug 2012	10 Sep 2012
Rehabilitation of civil works	Bulan Story	34,674.96	34,674.96	Direct Purchase	3 Jul 2012	27 Aug 2012
Rehabilitation of PIU office	Various	4,946.76	4,946.76	Others	6 Nov 2012	12 Nov 2012

Item	Name of contractor	Contract Amount (\$)	Amount Paid (\$)	Mode of Procurement	Contract Date	Completion Date
Procurement of calendars, planner and pens for project completion materials public awareness campaign	Edem Print	5,676.09	5,676.09	Direct Purchase	19 Nov 2012	19 Dec 2012
Consumables for PVSs	Sinobase	85,510.02	85,510.02	Limited tender	15 Oct 2012	
Total			7,720,650.77			

ICB = international competitive bidding, LCB = local competitive bidding, MIS = management information system, PIU = project implementation unit, PVE = primary vocational education, PVS = primary vocational school, VS = vocational school.