



# Completion Report

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Project Number: 46456-002  
Technical Assistance Number: 8523  
June 2017

## Bangladesh: Supporting Education and Skills Development Investment Programs

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TA Number, Country, and Name:		Amount Approved: \$1,000,000.00	
TA 8523-BAN: Supporting Education and Skills Development Investment Programs		Revised Amount: Not Applicable	
Executing Agencies: Ministry of Education (MOE) Finance Division, Ministry of Finance (MOF)	Source of Funding: Technical Assistance Special Fund (TASF-V)	Amount Undisbursed: \$23,378.81	Amount Utilized: \$976,621.19
Implementing Agencies: Directorate for Secondary and Higher Education (DSHE), MOE Finance Division, MOF			
TA Approval Date: 4 Dec 2013	TA Signing Date: 22 May 2014	Fielding of First Consultants: 23 Jan 2015	TA Completion Date Original: 31 May 2016    Actual: 30 Nov 2016  Account Closing Date Original: 31 May 2016    Actual: 31 Jan 2017
<b>Description</b>  <p>Despite remarkable progress on enrollment and completion, improving efficiency and quality of education and skills development, and their relevance to labor market needs are major challenges in Bangladesh. The National Education Policy, 2010, and the National Skills Development Policy, 2011, recognized the need for investing in education and skills, and the Secondary Education Sector Investment Program (SESIP)<sup>1</sup> and the Skills for Employment Investment Program (SEIP)<sup>2</sup> were developed for preparing the youth to meet the requirements of the economy. Both on-going ADB-funded programs, however, have financial management risks. The use of country system accompanied certain fiduciary risks, thus, the government and ADB agreed on a comprehensive fiduciary oversight arrangement. This capacity development technical assistance (TA) aimed to improve fiduciary and results-reporting capacity, and was included in the Country Operations Business Plan for Bangladesh, 2013–2015.<sup>3</sup></p> <p>The TA supported the management of SESIP and SEIP, which had innovative features. The disbursement for SESIP is based on achievement of disbursement-linked indicators (DLIs), while SEIP is based on the performance-based training contracts with milestones (e.g., enrollment, job placement). The achievements need to be verified by an independent third party, and also require institutional capacity to implement protocol and achieve milestones.</p>			
<b>Expected Impact, Outcome, and Outputs</b>  <p>The impact was more efficient and market-relevant secondary education and skills development systems. The outcome was increased capacity in and assurance about fiduciary concerns and results reporting for SESIP and SEIP. There were two outputs: (i) capacity in fiduciary risk management improved; and (ii) capacity in result-reporting and verification process improved.</p>			
<b>Delivery of Inputs and Conduct of Activities</b>  <p>Two consulting firms for the annual fiduciary reviews (AFR), 18 individual consultants and 4 resource persons were recruited under the TA. A total of 84.9 person-months of consulting services (25.7 person-months international and 59.3 person-months national) were used. Financial management experts as well as monitoring and evaluation (M&amp;E) experts accounted for major part, and one system engineering firm was also engaged to develop financial management software. Joint Sector Review (JSR) workshop for SESIP was also held on February 2015 in Dhaka by inviting government stakeholders and development partners.</p> <p>At completion, 97.7% of TA funds was utilized, and the TA was implemented for 30 months. The TA completion date was extended by 6 months because of the delay in engaging the financial management consulting firm for SEIP and implementation of the contract. The extension was also required to ensure consultants' quality inputs to prepare for the 5th Quarterly Fiduciary Review (QFR) covering from April to June 2016.</p> <p>The consultants' performance is rated <i>satisfactory</i>. The consulting firms delivered quality AFR and QFR with recommendations and action plans. The individual consultants also followed them up with the executing agencies,</p>			

<sup>1</sup> ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility to the People's Republic of Bangladesh for the Secondary Education Sector Investment Program*. Manila.

<sup>2</sup> ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility to the People's Republic of Bangladesh for the Skills for Employment Investment Program*. Manila.

<sup>3</sup> ADB. 2012. *Country Operations Business Plan: Bangladesh 2013–2015*. Manila.

and developed formats for results-reporting, including baseline data collection, which were utilized for M&E.

Asian Development Bank (ADB)'s performance is rated *satisfactory*. ADB fielded more than 20 missions during the TA implementation periods for the processing and administration of SESIP and SEIP. Measures against fiduciary risks were continuously discussed, and the government was updated on the findings of financial management and results reporting for their actions. ADB also addressed the evolving challenges by making minor changes in scope to flexibly modify consultants' inputs. For instance, upgrading online monthly payment order (i.e., salary payment to teachers in non-government schools) software of DSHE was approved to improve the financial management system.

The performance of executing agencies and implementing agencies is rated *satisfactory*. MOE and Finance Division of the MOF were the executing agencies. The government reflected recommendations derived from the AFR and QFR in the action plans, and incorporated key issues in the DLI for their reforms. The government capacity has been improved in the process of making efforts to fulfilling the requirements in the action plans. As implementing agencies under SEIP, there were 3 public training institutions and 9 industry associations providing trainings, and they provided information to conduct fiduciary risk assessment and results-reporting.

### **Evaluation of Outputs and Achievement of Outcome**

The TA achieved its outcome targets which were (i) agreed AFR recommendations reflected in the action plans were fully implemented by 2015 and 2016, and (ii) annual DLI and other reports on results starting from 2014 fully met the agreed DLI verification protocol. The achievements could imply increased capacity in and assurance about fiduciary concerns and results reporting for SESIP and SEIP. Outputs were AFR recommendations and DLI verification agreed by ADB and the government, which were also achieved.

For SESIP, the AFR for FY2013–2014 was prepared as a TA report. Having reviewed numerous recommendations in the TA report, two sub-DLIs were included under DLI 7 (Strengthened Risk Management). These were the (i) introduction of auto reconciliation and bill processing with central financial management system (iBAS) to strengthen the financial management system of the government, and (ii) introduction of the electronic fund transfer using mobile banking platform to reduce the risks of disbursement of the money other than beneficiaries. The sub-DLIs were achieved following the verification protocol. Overall program results were also discussed at the JSR on secondary education sector, and its output was a jointly developed common secondary education sector program framework with agreed targets and indicators. The JSR analyzed progress, constraints, barriers and gaps among stakeholder agencies and subsequently made concrete recommendations. To strengthen fiduciary assessment, Local and Revenue Audit Directorate and Foreign Aided Project Audit Directorate agreed to conduct an audit in the JSR.

SEIP was also benefited from the findings of AFR (Jan–Dec 2015) and QFR (Apr–Dec 2015 and Jan–Jun 2016) prepared as TA reports for the training of implementing agencies. The challenges in the TA reports were followed up by a fiduciary risk assessment expert, and major issues were addressed before initiating this training program. Unit cost analysis of the training also helped in estimating the realistic training expenditures. On results-reporting, the M&E reporting format was prepared and used in practice. The format was prepared for the overall SEIP program which included key performance indicators in line with the Design and Monitoring Framework. The reporting formats on gender action plan and quality assurance were prepared and M&E experts provided advice on developing the management information system. In addition, the data collection survey was conducted to set the baseline (the figures in 2014). Other consultants contributed to quality assurance and procurement capacity improvement.

### **Overall Assessment and Rating**

Overall, the TA is rated *successful*. The TA is *relevant* because the TA design addresses the fiduciary risk assessment and results-reporting needs which are indispensable for education and skill programs under SESIP and SEIP. In addition, the TA is also consistent with government and ADB strategy. The TA is *effective* in delivering quality AFR, QFR and results-reporting format and baseline data which eventually improved fiduciary and results-reporting capacity under SESIP and SEIP. The TA is *efficient* because of the high utilization of funds despite a 6-month extension of the TA implementation. The TA outputs and outcome are *most likely sustainable* since the government institutionalizes measures in their policies and provides adequate focus for fiduciary assessment and results-reporting under the on-going programs in SESIP and SEIP.

### **Major Lessons**

(i) It is important to have flexible TA resources and administration because not all issues in M&E and fiduciary risk are foreseeable at design. Evolving issues need to be addressed (e.g., upgrading online monthly payment order system). Key is to have a few international consultants for longer-term strategic inputs combined with short-term highly specialized inputs. (ii) Conducting comprehensive fiduciary assessment requires clear guidance for the consulting firm which may not be accustomed in this sector. High quality national financial management specialist also makes a difference for follow-ups and contract administration. (iii) Close coordination among multiple executing

agencies at the design stage is necessary to get government TA approval in a timely manner. Having multiple executing agencies under one TA works well if they clearly understand their respective outputs and responsibilities.

**Recommendations and Follow-Up Actions**

(i) In addition to the government audit system, the fiduciary risk assessment should be conducted by an independent third party funded by external sources for transparency and accountability. (ii) The results-reporting format should be updated as the program evolves. The reporting requirements can change while core indicators remain unchanged. (iii) Financial management capacity of staff at local government should be further strengthened given the large education and skill system in Bangladesh.

Prepared by: Ryotaro Hayashi

Designation and Division: Social Sector Specialist, SAHS