



## 1. Project Data

**Project ID**

P118101

**Project Name**

RW: Skills Development Project (FY11)

**Country**

Rwanda

**Practice Area(Lead)**

Education

**L/C/TF Number(s)**

IDA-48980

**Closing Date (Original)**

31-May-2016

**Total Project Cost (USD)**

34,500,000.00

**Bank Approval Date**

29-Mar-2011

**Closing Date (Actual)**

31-May-2016

**IBRD/IDA (USD)**
**Grants (USD)**

Original Commitment

30,000,000.00

0.00

Revised Commitment

29,999,489.83

0.00

Actual

28,478,541.72

0.00

**Prepared by**
Eduardo Fernandez  
Maldonado
**Reviewed by**

Judyth L. Twigg

**ICR Review Coordinator**

Joy Behrens

**Group**

IEGHC (Unit 2)

## 2. Project Objectives and Components

### a. Objectives

The Project Development Objective (PDO) as stated in the Project Appraisal Document (PAD) was “...to improve access to quality and demand-responsive vocational training” (p. 8). The Financing Agreement provided an identical formulation (p. 5).

The project underwent two restructurings, in May 2013 and April 2015, that revised key outcome targets. A split rating is therefore performed.



**b. Were the project objectives/key associated outcome targets revised during implementation?**

Yes

**Did the Board approve the revised objectives/key associated outcome targets?**

No

**c. Will a split evaluation be undertaken?**

Yes

**d. Components**

The project included three components:

**Component 1: Delivery of Quality and Relevant Vocational Training** (appraisal cost US\$23.6 million; actual cost US\$23.8 million). This component was to finance activities aimed at improving the quality and relevance of training delivery in eight selected priority occupations and seven selected vocational training centers. The package of inputs financed by the component included: (i) design and implementation of competency-based, demand-responsive curricula; (ii) design and implementation of competency-based training (CBT) process assessments and summative assessment of trainees to ensure that they meet industry standards; (iii) infrastructure rehabilitation and construction, and provision of furniture, equipment and materials (including consumables); (iv) design and delivery of training to upgrade existing trainers and train new trainers on technical, pedagogical, information and communications technology (ICT), communication and English skills as per the new competency-based curricula; (v) development and implementation of industrial attachment programs to promote trainees' hands-on experience and exposure to a relevant work environment; and (vi) provision of management and leadership capacity building to the Vocational Training Centers' (VTCs') management and administrative staff to improve management practices for the implementation of the new competency-based curricula. The direct beneficiaries of this component were graduates of nine years of basic education who were eligible to participate in the vocational training programs. No other eligibility requirement was established for individuals participating in the training, meaning that, for instance, individuals could be either employed or unemployed. For those employed, the training would probably imply exit from the labor force, as the VTC was a full-time training program (TTL interview).

**Component 2: Technical-Vocational Education and Training (TVET) System Strengthening**

(appraisal cost US\$3.3 million; actual cost US\$1.6 million). This component was to finance activities related to: (i) monitoring and evaluation training delivery, in particular the implementation and performance of the Skills Development Project (SDP); (ii) research and analyses to inform evidence-based adjustments in the Workforce Development Authority's (WDA's) policies and activities; (iii) capacity-building for monitoring and evaluation within the WDA and TVET providers.

**Component 3: Rapid Skills Delivery** (appraisal cost US\$7.6 million; actual cost US\$6.2 million). This component was to finance the implementation of a pilot Skills Development Facility (SDF) that provided sub-grants to eligible applicants on a competitive basis for the purpose of raising the quality and volume of their training in demonstrated areas of skills shortages. No specific educational level or employment status was required to receive the SDF training. The training was part-time and likely did not require exit from the



labor force (TTL interview).

**e. Comments on Project Cost, Financing, Borrower Contribution, and Dates**

The total project cost was US\$31.6 million as compared to an appraisal estimate of US\$34.5 million (PAD, p. 59, Table 8). This appraisal estimate included physical and price contingencies, estimated at 10% of projected costs, and a US\$4.5 million borrower contribution. The difference between estimated and actual costs was due to exchange rate fluctuations.

Financing

The project was to be financed by a US\$30 million International Development Association credit. The credit was fully disbursed, but in US\$ terms, the project actually disbursed US\$27 million, owing to exchange rate fluctuations.

Borrower Contribution

The PAD estimated a borrower contribution of US\$4.5 million. By the end of the project, the Borrower had actually disbursed US\$4.6 million.

Dates

The project was approved on March 29, 2011 and became effective on October 6, 2011. The project closed on May 31, 2016 as scheduled. The project had two level 2 restructurings to revise the outcome targets included in the Results Framework (RF). Because key outcome targets were revised twice, at restructurings in May 2013 and April 2015, this review undertakes a split rating.

The first restructuring (May 2013) revised the results framework (RF) to reflect early developments in project implementation and revised costing of project activities. Two changes were introduced: First, the indicator "number of VTCs rehabilitated and equipped for targeted occupations" was changed to "number of VTCs rehabilitated **and / or** equipped for targeted occupations" to reflect changes in the scope of Component 1 (on government financing of construction costs for the Kabarondo VTC and the Busogo VTC hospitality block). The project ended up funding only the equipment and consumables in these two sites. Second, PDO indicators were changed to reflect (a) new information available from the Labor Market Information System; and (b) the establishment of a baseline and target for the indicator on "employer satisfaction with VTC graduates."

The second restructuring (April 2015) was introduced to (a) reallocate grant proceeds between components; and (b) ensure that the RF reflected important changes made in the project (i.e. the introduction of Industry-Based Training as a new means to provide vocational training and the dropping of the Kibari VTC) and the significant progress made since the first restructuring that allowed aiming for higher outcome targets.

Phases

Phase 1 covers the period from project approval in March 2011 to May 2013; Phase 2 from Restructuring 1 (June 2013) until Restructuring 2 (April 2015); and Phase 3 from Restructuring 2 (May 2015) until the



project closing in May 2016. The share of actual credit disbursements made by each phase were as follows: 9.3% (Phase I); 70.8% (Phase II); and 19.9% (Phase III).

### 3. Relevance of Objectives & Design

#### a. Relevance of Objectives

Relevance of objectives is rated **Substantial** (before and after restructurings). The project development objective was relevant to country conditions. After years of economic diversification and growth, the lack of skilled workers had become a limiting factor on economic growth. Against this backdrop, the project provided funding to increase the availability and quality of skilled workers. At the time of approval (March 2011), the project development objective was aligned with the Bank's Country Assistance Strategy FY09-12 Strategic Theme 1 (i.e. promoting Rwanda's economic transformation for sustained growth) and supported the third flagship area (i.e. sustainable growth for jobs and exports) of Rwanda's First Economic Development and Poverty Reduction Strategy (EDPRS 1; 2008-2012). At the time of project closing (May 2016), the project development objective remained relevant to the country priorities as laid out in the third thematic area (i.e. productivity and youth employment) of the Second Economic Development and Poverty Reduction Strategy (EDPRS 2) covering Rwanda's fiscal years 2013/14 - 2017/18. The project development objective was also relevant to the Bank's Country Partnership Strategy for the period FY14-18, as it clearly contributed to Strategic Theme 1 (accelerating economic growth that is private-sector driven and job creating). Although the project development objective was relevant to both CAS and CPS, neither of these documents captured the contributions of the project in their respective results frameworks.

**Rating**  
Substantial

**Revised Rating**  
Substantial

#### b. Relevance of Design

Relevance of design is rated **Substantial** (before and after restructurings). The design of activities and outputs was consistent with the stated objective of improving access to quality and demand-responsive vocational training. Component 1 and 3 delivered activities and outputs to improve access to quality training, and Component 2 delivered interventions to enhance the both the quality and demand responsiveness of the TVET system. Overall, the results chain was clear and convincing (i.e. it can be plausibly argued that the project activities were capable of achieving the stated objectives). The ICR did not identify exogenous factors that could have had a positive or negative influence on achievement of the project development objective and its indicators (e.g., rate of economic growth).

**Rating**

**Revised Rating**



Substantial

Substantial

#### 4. Achievement of Objectives (Efficacy)

##### Objective 1

###### Objective

PDO 1: Improve access to vocational training (Phase I and II)

###### Rationale

###### Outputs

- Vocational Training Centers (VTCs) and Industry-Based Training (IBT) sites

1. Overall, the number of VTCs and IBTs rehabilitated and / or equipped for targeted occupations was 8, against a target of 10. Four VTCs were fully rehabilitated and / or equipped by the project (Kinihara, Kibuye, Kibungo, and Kirehe), and 4 IBT sites were equipped (TTL interview). The Government of Rwanda (GoR) agreed to provide additional budget to completely fund the construction/rehabilitation costs in the Kabarondo VTC and to fund the Busogo VTC hospitality block (ICR, p. 31). Equipment for these two latter VTCs was purchased by the project, but it has not been installed owing to construction delays beyond the control of the project. At Restructuring 2 (June 2013), the planned rehabilitation and equipment of the Kibari VTC was dropped from the project to avoid potential risk from land dispute issues.
2. The number of occupations for which training is offered in at least one targeted VTC or IBT using the new competency based approach was 8 (target achieved) (ICR, p. ix).
3. The number of occupations for which curricula and teaching / training material was validated for occupations targeted by the project was 8 (target achieved) (ICR, p. ix).
4. The number of occupations targeted by the project for which examination mechanisms were validated was 8 (target achieved) (ICR, p. ix).
5. The percentage of trainers who were assessed as having adequate technical and pedagogical skills to teach the new curriculum was 75% (ICR, p. ix) (Phase I target: 90%; Phase II target: 70%; and Phase III target: 75%). No numerical target was provided.
6. The number of VTC and IBT graduates who carried out an industrial attachment (and passed the final exam) was 1972. The targets were the following: Phase I was 2677 (not achieved); Phase II was 1677 (exceeded) and Phase III was 2145 (nearly achieved).
7. The number of VTCs and IBT sites that had an annual work plan and budget was 10 (ICR, p. x). The Phase I and II target was 7 (exceeded) and the Phase III target was 10 (achieved).

- TVET system strengthening

1. The project funded the hiring of 11 staff to improve the capacity of the WDA to monitor and evaluate the



performance of the TVET system.

2. Four tracer studies / employer satisfaction surveys were completed during project implementation, and reports were prepared. In addition, an interim project assessment report of the SDP was prepared and used by the WDA to improve implementation.

3. Four studies / technical papers were funded: (a) assessment of skills gap in agribusiness and mining; (b) study on TVET literature; (c) capacity needs survey for six VTCs; and (d) study on quality assessment.

- **Skills Development Facility (SDF)**

1. The number of sub-grant agreements signed was 108 (ICR, p. x). Phase I target was 86 (exceeded); Phase II target was 87 (exceeded); and Phase III target was 90 (exceeded).

2. The number of sub-grants satisfactorily completed was 108 (ICR, p. x). Phase I target was 58 (exceeded); Phase II target was 61 (exceeded); and Phase III target was 80 (exceeded).

### Outcomes

- The ICR reports that a total of 5,490 individuals enrolled in VTCs and IBT centers against a baseline value of zero. This did not achieve the Phase I target of 6,507 individuals enrolled, whereas it exceeded the Phase II target of 3,333 individuals.
- The ICR reports that a total of 14,872 individuals enrolled in training financed through the SDF, which nearly achieved the Phase I and II targets (of 15,900 and 15,275 individuals enrolled, respectively).

Based on the above, achievement of this objective is rated Substantial under Phases I and II (original and first set of revised targets).

### **Rating**

Substantial

## **Objective 1 Revision 1**

### **Revised Objective**

PDO 1: Improve access to vocational training (Phase III) (The PDO formulation for Phase III was not revised but targets were revised.)

### **Revised Rationale**

### Outputs

Same as outputs above under PDO 1.



### Outcomes

- The ICR reports that a total of 5,490 individuals enrolled in VTCs and IBT centers (baseline value zero), thus exceeding the Phase III target of 4,400 individuals.
- The ICR reports that a total of 14,872 individuals enrolled in training financed through the SDF (baseline value zero), thus exceeding the Phase III target of 12,000 individuals.

Achievement of this objective is rated High under Phase III (second set of revised targets).

### **Revised Rating**

High

## **Objective 2**

### **Objective**

PDO 2: Improve quality of vocational training

### **Rationale**

### Outputs

Same as outputs listed under PDO 1.

### Outcomes

- 2,144 individuals completed training through VTC and IBT, not achieving the targets of 3,825, 2,396, or 3,300 (in Phases I, II, and III respectively).
- 12,129 individuals completed training through SDF. This did not achieve the targets of 14,013 in Phase I or 13,489 in Phase II, but this exceeded the target of 10,000 in Phase III.
- The percentage of employed VTC graduates with whom employer expressed satisfaction increased by 10.7 percentage points from a baseline of 74%. This increase in employer satisfaction exceeded the target of 6 percentage points for Phase I and 8 percentage points for Phase II and Phase III. At restructuring Phase III, the indicator was revised to include also satisfaction with IBT graduates, and the target was set at 8 percentage points increase. The actual employer satisfaction with IBT graduates at the end of the project was 99%. However, this achievement cannot be compared to the baseline, as the IBT tracer study used a scale that was not the same as the one used in the baseline survey.
- 93.5% of pre-employed individuals trained through SDF sub-grants improved their job performance, thus exceeding the targets of 80%, 77% and 82% (in Phases I, II, and III respectively).

Achievement of this objective is rated Substantial across all three phases.

### **Rating**

Substantial





### **Objective 3**

#### **Objective**

PDO 3: Improve the demand-responsiveness of vocational training

#### **Rationale**

#### Outputs

Same as outputs listed under PDO 1.

#### Outcomes

- The percentage of VTC graduates who were employed or self-employed within 6 months of graduation was 65% against the actual number of graduates (i.e. 1393 out of a total of 2144 actual graduates) (ICR, p. 20), thus exceeding the targets for Phase I (50%) and Phase II and III (30%).
- The indicator was revised under Phase III to include the combined employment rate within 6 months of graduation of VTC and IBT graduates. The target for the combined employment rate of VTC and IBT graduates was maintained at 30%, and thus it was exceeded, as the combined percentage of VTC and IBT graduates who were employed or self-employed within 6 months of graduation was 65%. In addition, Phase III introduced the employment rate of SDF graduates within 6 months of graduation as an additional indicator. This employment rate was 46%, against a target of 50% (nearly achieved).
- Overall, the proposed indicators lacked baselines and comparison groups, making it difficult to judge progress and rule out alternative factors (i.e., factors unrelated to the project) that may have affected the employment rates of graduates, and thus casting doubt on the claim that the gains reported can be attributed plausibly to activities of project.

Based on the above, achievement of this objective is rated Modest across all phases.

#### **Rating**

Modest

## **5. Efficiency**

The PAD noted that a standard cost-benefit analysis could not be performed because the benefits of education projects are difficult to quantify and are believed to last well beyond a project's time span (PAD, p. 84). Notwithstanding the previous statement, the ICR includes an ex-post cost-benefit analysis of the VTC / IBT and SDF programs. Economic costs factored into the analysis include project costs (equal to total project disbursements), individual expenses (equal to zero as tuition was free), and opportunity costs (which were





equal to the monthly earnings of individuals with lower secondary education). Economic benefits were measured as the wage premium of graduates as compared to the wages of individuals with only lower secondary education. The analysis assumes a working life period of 30 years with no employment gaps between training graduation and leaving the workforce. The project's NPV was estimated to be US\$ 10.5 million and the Internal Rate of Return (IRR) at 18.1%. The ICR notes that these figures compare favorably to those for similar projects (ICR, p. 39). The Bank team further suggests that these calculations likely represent a lower-bound estimate, for the following reasons:

- First, the wage premium of SDF graduates was estimated relative to the wages of individuals with only lower secondary education. However, the SDF program was open to adults of all educational levels, from the relatively unskilled to graduates of vocational centers/universities. If the recipients of the SDF program were mainly university graduates, then a comparison with salaries from lower secondary education individuals would represent an overestimation of the wage premium that would bias the calculated NPV and IRR in an upward and more favorable manner. The Bank team provided additional information demonstrating that comparator group chosen (i.e. individuals with lower secondary education) is a relevant comparator group for several reasons. First, the distribution of education levels in the Rwandan workforce shows that the percentage of individuals with upper secondary and higher education is very low (less than 5%)[1], and the likelihood of these individuals participating in the SDF program would have been negligible, as the program targeted training provision in low skilled occupations/trades. In addition, the Bank team reported that interviews with WDA officials corroborate that the majority of the SDF beneficiaries had lower-secondary education or less. This suggests a downward bias in the calculation of benefits.
- Second, economic costs were calculated as the loss of earnings due to enrollment in the VTC/IBT and SDF programs; however, the SDF program was not full-time and did not require exiting the workforce (TTL interview). The Bank team noted that the Tracer Study shows that 72.3% of graduates were not employed when undertaking the training course. This suggests an upward bias in the calculation of the economic costs.

In terms of implementation efficiency, ICR Table 3.1 shows that, overall, project implementation was successful and achieved its expected outputs. The most important shortcoming was with respect to the construction/rehabilitation and/or provision of equipment to VTCs and IBTs, which fell short of the target (8 out of 10) owing to procurement-related delays. However, the Bank Team reports that the two incomplete sites were rehabilitated within six months after project closure, and all equipment procured through the project has been installed and is being used.

[1] Bundervoet, Tom; Handjiski, Borko; Merotto, Dino Leonardo; Paci, Pierella; Ranzani, Marco; Blankespoor, Brian; Ishihara, Yoichiro; Nishiuchi, Toru. 2015. Rwanda - Employment and jobs study. Washington, D.C : World Bank

## **Efficiency Rating**

Substantial



a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	18.10	100.00 <input type="checkbox"/> Not Applicable

\* Refers to percent of total project cost for which ERR/FRR was calculated.

## 6. Outcome

Overall, the weighted average calculation indicates that the overall outcome rating for the project is **Satisfactory**. (Table 1).

Table 1: Overall Outcome Ratings			
Rating Dimension	Phase I (Approval-May 2013)	Phase II (June 2013 - April 2015)	Phase III (May 2015-May 2016)
<b>Relevance</b>	SUBSTANTIAL		
Objectives	Substantial		
Design	Substantial		
<b>Efficacy</b>			
Objective 1: Improve access to vocational training	Substantial	Substantial	High
Objective 2: Improve quality of vocational training	Substantial	Substantial	Substantial
Objective 3: Improve the demand-responsiveness of vocational training	Modest	Modest	Modest
<b>Efficiency</b>	SUBSTANTIAL		
<b>Outcome Rating</b>	Satisfactory	Satisfactory	Satisfactory
<b>Outcome Rating Value</b>	5	5	5
<b>Amount Disbursed (US\$ million)</b>	2,647,549.59	20,162,770.83	5,668,221.30
<b>Disbursement (%)</b>	9.3%	70.8%	19.9%
<b>Weight Value</b>	0.37	2.83	0.80
<b>Overall Outcome Rating</b>	Satisfactory (5.0)		

a. **Outcome Rating**  
Satisfactory



## 7. Rationale for Risk to Development Outcome Rating

The sustainability of the project's development outcome hinges on the WDA's ability to continue providing access to quality and demand-responsive vocational training. Several risks may threaten this ability. First, sustainability is dependent upon WDA's capacity to continue implementing VTC / IBT and SDF training. Overall, WDA's capacity improved throughout the project, and this strengthened capacity is unlikely to be reversed.

Second, the expansion of training to non-project VTC centers will depend upon the availability of funding to upgrade non-project VTCs to support competency-based training. Likewise, the continuity of SDF training will also be contingent upon the availability of additional funding. To address these funding needs, the GoR has formally requested that the World Bank support Program-for-Results financing for TVET and higher education. Therefore, the funding is secured in the short to medium-term. Finally, the employability of the TVET graduates will always be contingent upon the WDA's ability to target trainings to those occupations that are in demand. The project has strengthened the WDA's ability to conduct research and analysis, and thus, going forward, the WDA is in a good position to conduct this sophisticated type of targeting. This capacity is not likely to be reversed. Overall, the risk to development outcome is therefore rated Negligible to Low.

### a. Risk to Development Outcome Rating

Negligible

## 8. Assessment of Bank Performance

### a. Quality-at-Entry

Project design was underpinned by a strong analytical base such as the National Skills Audit 2009 that identified a substantial shortage of skills in the tourism / hospitality and construction sectors. The design of the project also benefited from the World Bank's experience with TVETs in Africa and past experience in Rwanda. In addition, project design took on board key peer reviewer recommendations such as the need to limit implementation complexity. Thus the scope of the project was reduced by dropping two planned components (i.e. Science, Technology and Innovation and the acquisition of catalytic skills through general secondary education) at the project's conception stage. Overall, the results chain was solid and well-articulated, as the proposed activities and outputs were consistent with the stated objective of improving access to quality and demand-responsiveness of vocational training. However, three shortcomings can be highlighted. First, the design overestimated the technical and managerial capacity of the newly established WDA. Although the Bank correctly identified this risk at appraisal and mitigation measures were put in place (e.g. support to the WDA and reducing implementation complexity), the implementation timetable was too ambitious and eventually the project started to experience shortcomings in the achievement of its planned targets. Second, the project design underestimated the overall costs for VTC rehabilitation / construction (ICR, p. 3). Third, the M&E design could have been improved by using meaningful baselines and comparison groups, thus making the establishment of attribution stronger particularly for PDO 3. Given these shortcomings, quality at entry is rated **Moderately Satisfactory**.



## **Quality-at-Entry Rating**

Moderately Satisfactory

### **b. Quality of supervision**

The Bank team carried out multiple supervision missions during the initial phases of implementation. These missions benefited from a team composition that was updated regularly to provide the necessary skill mix for implementation support. The TTL was not country-based, with the exception of an extended period of six months during the initial phase. Procurement delays occurred during the initial phase as the WDA had low capacity to prepare technical drawings and bidding documents and limited experience with World Bank procurement procedures. The Bank responded with several remedial actions: (i) enhanced supervision and support to the WDA in the preparation of technical drawings and bidding documents; (ii) changing from International Competitive Bidding (ICB) to National Competitive Bidding (NCB) procurement method; and (iii) breaking down the single construction tender package into several packages. Overall, the actions were successful and implementation pace increased. Second, the Bank team proactively adjusted the project's results framework through two restructurings. The first restructuring adjusted outcome targets to reflect delays that occurred at the start of project implementation. The second restructuring revised the results framework to reflect the efficient introduction of a new training modality (i.e. IBT) and again revised the outcome targets to reflect progress made since the first restructuring. Safeguards were adequately supervised and compliance rated satisfactory. Finally, the Bank team faced minor financial management issues (see Section 11b) that were resolved satisfactorily, and the project's financial management was rated Satisfactory at closing. Overall, the quality of supervision is rated **Satisfactory**.

## **Quality of Supervision Rating**

Satisfactory

## **Overall Bank Performance Rating**

Moderately Satisfactory

## **9. Assessment of Borrower Performance**

### **a. Government Performance**

The PDO was aligned to the GoR development vision (PAD, p. 7) and, for this reason, GoR showed a high level of commitment to the PDO. In this sense, before project approval, the GoR made substantial efforts to develop the policy and institutional framework for TVET and increased public resources available to the sub-sector, and the Cabinet approved the organizational structure of the WDA comprising a substantial number of staff (PAD, p. 14). In addition, the GoR, through the WDA, appropriately consulted the private sector in the design of the project (PAD, p. 15) as well as other development partners supporting TVET in Rwanda (PAD, p. 14). Throughout implementation, the GoR also showed commitment to achieving development objectives and supporting implementation. Using data from the project's M&E system, the GoR and the Bank proactively worked together to restructure the project on two occasions and launch the



IBT alternative in light of the VTC construction delays. In addition, against the backdrop of underestimated construction costs at appraisal, the GoR added additional financial resources from its own budget to ensure the achievement of the PDO (construction/rehabilitation costs in Kabaronda VTC and Busogo VTC hospitality block were fully financed by the GoR) (ICR. p. 26). Finally, during implementation, there was an issue with regard to salaries paid to project staff that were beyond the salary scale determined by the Cabinet for the Single Project Implementation Unit (SPIU). The GoR resolved the problem, as it promptly issued a letter confirming that the SDP staff should not be integrated in the WDA SPIU. Overall, the Government performance is rated **Satisfactory**.

### **Government Performance Rating**

Satisfactory

### **b. Implementing Agency Performance**

The project was implemented by the Workforce Development Authority (WDA), a semi-autonomous agency under the Ministry of Education (MINEDUC). Within the WDA, the Project Management and Planning Unit (PMPU) had overall responsibility for the coordination of project activities, with a Project Manager (PM) responsible for reporting to the head of the PMPU, and subsequently to the WDA Director General and the Board. There were shortcomings in implementation readiness as the WDA was a newly established agency, and project effectiveness was delayed by six months until the approval of operational processes and procedures for the organization. In addition, key WDA staff during the initial phase of implementation was absent (e.g. Deputy DG corporate services remained vacant for over a year). Likewise, the main project staff financed by the SDP were on board late (March 2012) following some delays in the hiring of the SDF program manager and other key staff.

Despite these readiness challenges, the WDA proactively worked with the Bank to address implementation challenges. For instance, to overcome construction delays, the WDA decided to pilot the IBT training with support from the Bank. This was initially envisaged as a temporary solution to construction delays that turned into a successful training model that was later maintained. In addition, the WDA also played a key role in ensuring that the tracer studies were conducted on time, data analyzed, and reports prepared and shared with World Bank team. This information was critical for fine tuning implementation, updating the results framework and monitoring progress. With respect to fiduciary aspects, the Financial Management (FM) review of the project conducted before project closing reported that the FM arrangements under the project were found to be adequate and that the funds were used for the intended purposes (ICR, p. 26). The WDA submitted quarterly financial reports with acceptable quality on time. Although procurement delays occurred owing to low capacity at the WDA and limited experience with World Bank procurement procedures, these problems were proactively addressed and solved by the WDA with support from the Bank. Guidelines were adhered to and procurement files were in order, according to a post-procurement review. Overall, the initial shortcomings are considered to be relatively minor, and implementing agency performance is rated **Satisfactory**.

### **Implementing Agency Performance Rating**

Satisfactory



## **Overall Borrower Performance Rating**

Satisfactory

## **10. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

The objective statement clearly articulated the three outcomes sought by the project with respect to vocational training: (i) access; (ii) quality; and (iii) demand-responsiveness. The PAD included a results framework with appropriate indicators for measuring the achievement of these outcomes. However, in the case of PDO 3, the indicators chosen lacked meaningful baselines and comparison groups, thus making the establishment of attribution less credible (at least in the magnitudes reported). PDO 3 was measured through the number of VTC / IBT and SDF graduates who are employed or self-employed within six months of graduation. The project used tracer studies of these graduates to measure these indicators. The evaluation design could have been strengthened by the introduction of a credible baseline and comparison group. With respect to a baseline, the project proposed using a 2009 WDA tracer study from 2008 graduates. This study showed that VTC graduates were employed at only a 22.5% rate and compared this to the employment rate of VTC graduates measured by the third round of tracer studies (2016) that showed a 69% employment rate. However, two problems emerge with this baseline: (i) although the 2008 tracer study measured the employment rate from graduates within the same sectors (i.e. construction and tourism), the trades measured were different; (ii) there is no information on whether the individuals who took the training in 2008 (before the project support) were comparable to those who took it while the WDA received Bank support (e.g. whether they had same educational attainment, employment rates, etc.). Finally, the project could have strengthened the credibility of attribution by discussing alternative factors that could have affected the employment rates in 2009 and 2016 (e.g. different economic growth rates) and by comparing the employment rates of graduates vis-à-vis similar individuals who did not receive training supported by the project (i.e. establishment of a comparison group). Despite these shortcomings, the quality of M&E Design is rated substantial.

### **b. M&E Implementation**

As envisioned at appraisal, the project hired an M&E specialist, and four tracer studies were successfully conducted during project implementation and reports prepared. Overall, the M&E system was implemented as planned and yielded appropriate data for monitoring progress towards the achievement of the intermediate and PDO-level targets. The project, through Component 2, delivered critical support that explains this successful implementation. The results framework was adjusted on two occasions throughout implementation. The first restructuring adjusted outcome targets to reflect delays that occurred at the start of project implementation. The second restructuring revised the results frameworks to reflect the efficient introduction of a new training modality (i.e. IBT). In addition, the second restructuring revised outcome targets again to take into account the fact that the Kibari VTC was dropped from the project to avoid potential risk from land dispute issues. Overall, M&E implementation is rated high.





### **c. M&E Utilization**

M&E data was communicated to relevant decision makers and used to fine tune implementation, adjust the results framework, and carry out a strategic redirection of the project. First, the monitoring of project-related activities was critical in ensuring their timely completion, including construction/rehabilitation work under Component 1. In addition, this active monitoring prompted adjustments in the results frameworks to reflect feasible targets aligned with the implementation delays that were experienced at the beginning of the project. Second, data from the M&E system fed into the Mid-Term Term Review (November 2014) which, in turn, informed a major strategic redirection in project activities (i.e. decision to continue and scale up IBT training). Overall, M&E utilization is rated high.

### **M&E Quality Rating**

Substantial

## **11. Other Issues**

### **a. Safeguards**

The project triggered the safeguard policy on Environmental Assessment (OP/BP 4.01) and was rated category B due to the remodeling and construction of vocational training facilities on already acquired land. An Environment and Social Management Framework (ESMF) was prepared to identify and mitigate any potential issues covering the overall project. In addition, individual remodeling and reconstruction sites had Environmental Mitigation Plan (EMP) checklists prepared. At appraisal, the Bank assessed the Borrower's capacity to effectively monitor and enforce the simple environmental safeguards required for the rehabilitation of training facilities and concluded that this capacity was sufficient. The ICR reports that during the midterm review the supervision mission rated safeguards compliance as Satisfactory. The mission confirmed that the EMP checklists were largely adhered to, with project implementers (WDA, supervisory company, and contractors) following the requirements in the checklist. The ICR does not report on safeguards compliance beyond the mid-term review, but the TTL interview confirmed that there were not compliance problems after the mid-term (as construction and rehabilitation works had already been completed by then).

### **b. Fiduciary Compliance**

#### Financial management

The ICR (p. 26) reports that the financial management arrangements under the project were found to be adequate and that the funds were used for the intended purposes. Throughout implementation, quarterly financial reports were submitted to the Bank on time, and their quality was considered acceptable. However, there was a delay in the submission of audit reports that was resolved before project closing, by which time all such reports had been received by the World Bank (ICR, p.13). The ICR does not report whether or not the auditors' opinions were qualified, the nature of any qualifications (that is, whether they were serious or merely





administrative), and what measures were taken to address them. Finally, the ICR reports that there was a minor fiduciary issue during implementation regarding salaries paid to project staff that were beyond the salary scale determined by the Cabinet for the Single Project Implementation Unit (SPIU). The ICR notes that the issue was resolved satisfactorily and that the project's financial management was rated Satisfactory at closing.

#### Procurement

Although the project funded the hiring of a procurement specialist, procurement delays occurred as the WDA had low capacity in preparation of technical drawings and bidding documents and limited experience with World Bank procurement procedures. The Bank responded to these implementation bottlenecks with two remedial actions. First, the Bank provided enhanced supervision and support in the preparation of technical drawings and bidding documents. Second, following a high-level mission held in December 2012, the Bank decided to use National Competitive Bidding (NCB) rather than International Competitive Bidding (ICB) as originally planned. In addition, as an outcome of the mission, the Bank also decided to split the construction tender package into several packages. Overall, these measures were successful in expediting implementation. However, procurement was rated Moderately Satisfactory at project closing owing to two factors. First, there was non-completion of some procurement-related activities related to the Kaborondo VTC and Busogo hospitality block that were being rehabilitated by the GoR. Delays in these rehabilitation works (outside the control of the Bank) led to delays in the installation of equipment purchased through the project. Second, there was also delay in the award of contracts related to the 'carpentry' workshop equipment purchased through the project owing to a complaint made by one bidder. The Bank sought guidance from the regional procurement manager, and at the same time this issue was raised to the minister level from the client side. Finally, after a year, the issue was resolved, the contract issued in January 2015, and the equipment delivered and installed in the VTCs before project closing.

#### **c. Unintended impacts (Positive or Negative)**

The ICR does not report unintended outcomes or impacts.

#### **d. Other**

---

### **12. Ratings**

<b>Ratings</b>	<b>ICR</b>	<b>IEG</b>	<b>Reason for Disagreements/Comment</b>
Outcome	Satisfactory	Satisfactory	---
Risk to Development Outcome	Modest	Negligible	The ICR does not present meaningful risks to the development outcome.
Bank Performance	Satisfactory	Moderately Satisfactory	The project design overestimated the technical



			and managerial capacity of the newly established WDA and, on the other hand, underestimated the overall costs for VTC rehabilitation / construction. Finally, the M&E design could have been improved by using meaningful baselines and comparison groups, thus making the establishment of attribution stronger (particularly for PDO 3).
Borrower Performance	Satisfactory	Satisfactory	---
Quality of ICR		Substantial	---

#### Note

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

### 13. Lessons

The ICR lists eight lessons (pp. 27-28). Important among these are the following:

- 1 . Enhanced implementation support and supervision by the World Bank coupled with continued dialogue with the Government can help build capacity for improved project implementation (adapted by IEG).
- 2 . Timely restructuring can play a pivotal role in improving project implementation and increasing the likelihood of achieving the project development objectives (adapted by IEG).
- 3 . The likelihood of achieving the project development objectives decreases when the completion of project activities is dependent on activities that are outside the control of the project.
- 4 . Construction/works should be carefully planned during project preparation and should take into account the capacity constraints that exist in the country, especially when the achievement of project objectives is dependent on the successful implementation of heavy procurement-related activities.

Overall, IEG concurs with all of the ICR's lessons but adds an important qualification: The ICR notes that "a strong M&E system has a positive impact on achievement of project objectives" and that the "the strong M&E system developed under this project helped inform decisions for making midcourse adjustments to project activities." IEG would note that the M&E system was strong on its "monitoring" dimension as it allowed the tracking of outputs, understanding of delivery bottlenecks, and working out of solutions such as the IBT approach. However, the M&E system was weak on its "evaluation" dimension.



#### 14. Assessment Recommended?

No

#### 15. Comments on Quality of ICR

The ICR provides a thorough overview of the project with a concisely and well written narrative structured around the project development objective that supports the ratings. In addition, the ICR includes a clear and informative figure describing the project's results chain (ICR, p. 9) and offers a detailed description of the implementation challenges, of how they were addressed, and of the two restructurings that modified the results framework. Furthermore, the ICR includes a candid discussion of Bank and Borrower performance. Overall, the quality of the evidence and of the analysis is solid, though the ICR could have done a more thorough job of ruling out alternative factors that may have impacted achieved results under PDO 3 (i.e. employment rates of VTC / IBT and SDF graduates). In addition, the ICR could have better explained and described the assumptions implicit in the efficiency analysis and the reasons why this analysis is likely to represent a lower bound estimate of the NPV / IRR. Information on these assumptions were provided ex-post by the Global Practice Team. Notwithstanding these shortcomings, the quality of the ICR is rated **Substantial**.

##### a. Quality of ICR Rating

Substantial