



1. Project Data

Project ID

P113402

Project Name

LK:Higher Educ. for Twenty First Century

Country

Sri Lanka

Practice Area(Lead)

Education

L/C/TF Number(s)

IDA-46860

Closing Date (Original)

30-Jun-2016

Total Project Cost (USD)

40,000,000.00

Bank Approval Date

13-May-2010

Closing Date (Actual)

30-Jun-2016

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

Original Commitment

40,000,000.00

0.00

Revised Commitment

38,789,816.49

0.00

Actual

36,966,335.87

0.00

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2. Project Objectives and Components

a. Objectives

The objective of the Project is to enhance the capacity of the Recipient's higher education system, institutions and human resources to deliver quality higher education services in line with equitable social and economic development needs (Financing Agreement, pg. 4, August 26, 2010).

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



No

c. Will a split evaluation be undertaken?

No

d. Components

The project comprised the following four components (with information on original funding allocations from the Project Appraisal Document [PAD], pp. 5-9, April 7, 2010; and actual expenditures from the ICR, pg. 20).

Component 1: Institutionalize Norms for the Higher Education Sector (Original US\$0.9

Million; Actual US\$0.47 million). This component focused on developing the institutional foundation for the higher education sector in Sri Lanka. It comprised two subcomponents:

- Development of a Sri Lanka Qualification Framework that brought academic and other tertiary-level professional education programs into a unified qualification system that would enhance mobility among different types of higher education institutions.
- Development of a quality assurance system for the higher education sector. This work was undertaken to provide assurance that all higher education institution programs delivered quality services based on a set of agreed-upon quality criteria and standards. The system covered both individual institutions as well as individual academic and training programs.

Component 2: Promote Relevance and Quality of Teaching and Learning (Original US\$23.0 Million; Actual US\$21.4 Million). This component was designed to improve the social and economic relevance and quality of university education. It included two subcomponents:

- Provision of University Development Grants (UDGs) to implement activities to improve social cohesion among students and staff of different ethnic groups; improve students' English language and IT skills; and promote "soft" skills such as communications, team orientation, and entrepreneurship.
- Provision of Quality and Innovation Grants (QIGs) for a range of activities such as curriculum reform, modernization of teaching and learning, improving employability and strengthening university-industry linkages, and technology commercialization.

Component 3: Strengthening Alternative Higher Education (Original US\$5.3 million; Actual US\$4.88 million). The purpose of this component was to develop the alternative higher education sector and included two subcomponents:

- Modernization of Sri Lanka Institute for Advanced Technological Education (SLIATE). This sub-component focused on modernization of curriculum delivery, including technology, and promotion of models of cooperation with industry and business to enable employers and professional organizations to provide inputs into the academic programs and serve in teaching roles. It included the development of a Leadership and Quality Development Center to improve SLIATE and Advanced Technological Institutes' (ATIs) management capacity.



- Promotion of Regional Equity to Access to Alternative Higher Education by establishing three new ATIs in places such as the Northern Province, the estate sector in the central highlands, and the far South-Eastern region, and supporting the modernization of an additional six ATIs located in the provinces. The purpose was to assist with expanding job-oriented higher education for educated youth from these under-served areas.

Component 4: Human Resource Development, Monitoring, Evaluation, Studies, Coordination, and Communication (Original US\$10.8 million; Actual US\$10.26 Million). The purpose of this component was to strengthen the human resources and organizational capacity of the higher education sector and support monitoring and evaluation, policy analyses, and dissemination. It included two subcomponents:

- Human Resources development. This subcomponent focused on improving the quality of academic staff through postgraduate programs and strengthen the leadership and management capacity of the managerial staff, with priority given to staff from less developed higher education institutions.
- Monitoring and evaluation (M&E), studies, coordination and communication. The subcomponent included a number of studies to assess the project's contribution to a variety of expected outcomes, such as attitudes of students and staff towards different ethnic groups, students' job search and labor market experience, and staff and faculty satisfaction with the institutions supported through the program. It also included monitoring and evaluation and expanding the management information system for the entire higher education sector.

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

The total project cost at inception was estimated to be US\$40 million, with the full amount provided by a credit from the International Development Association (IDA). No borrower contribution was estimated at the time of project design. The ICR notes a final expenditure of US\$37.01 million, or 93 percent of the original estimate. Components 1 and 2 cost less at 52 and 93 percent of the original estimates, respectively, although all outputs were accomplished. It is unclear from the ICR why the actual costs of component 1 were only half of the original estimate, but the TTL subsequently clarified that the original estimate had included costs of international experts but the Government utilized national experts instead. The project became effective on November 1, 2010 and closed as planned on June 30, 2016.

3. Relevance of Objectives & Design

a. Relevance of Objectives

The project was well aligned with Sri Lanka's National Education Commission's (NEC) National Policy Framework on University, Technical and Vocational Education, 2009, which articulated the Government's approach to the development of the country's higher education sector and included the objectives



incorporated in the project (also see Sections 2.a. and 4). The project was included in the Sri Lanka Country Assistance Strategy (CAS) FY09-FY12 and was based on the findings of the World Bank's Higher Education sector report, "The Towers of Learning" (2009) (ICR, pg. 5). The PAD highlighted that higher education was viewed as a key contributor to economic development, instrumental for providing intellectual and human capital needed for growth of knowledge-intensive sectors (pg. 1). At the same time, the sector faced a number of challenges and concerns discussed in the World Bank's "The Towers of Learning" report. The project continued to be relevant under the new Country Partnership Framework (CPF, 2017-2020; Report No. 104606-LK), under the "Promoting Inclusion and Opportunities for All" pillar. The pillar identified the need for strengthening education and training to meet the human resources needs for Sri Lanka's advanced industrial and service sectors (CPF, pp. 24; 34). Continued engagement in the higher education sector is planned under the new CPF, along the areas of engagement that were addressed in the current project: quality and relevance of teaching, learning, and research and development with tighter links with the private sector, together with a focus on the lagging provinces (CPF, pg. 35). The project objectives and activities are expected to be continued under the Accelerating Higher Education Expansion and Development Program (AHEAD) project, which was approved on May 12, 2017.

Rating

High

b. Relevance of Design

There is a plausible link between the project inputs, activities, outputs, and expected outcomes. The project objectives were aligned with the NEC National Policy Framework, and reform to the higher sector itself was viewed as a key input to enhance the country's economic performance, thereby enabling Sri Lanka to shift from low- to middle-income country and address the causes and consequences of conflict.

Thus, the theory of change encompassed strengthening the capacity and quality of Sri Lanka's higher education system, institutions, and human resources to deliver quality higher education services to support equitable social and economic development of the country. Systems' and institutional capacity enhancement was to be accomplished in several ways: by providing coherence to the disparate tertiary level training and academic systems under one qualification framework, thereby also enabling horizontal and vertical mobility; establishing a quality assurance system both at the institutional and academic program levels to improve quality; and promoting teaching and learning by supporting programs that improved students' employability (teaching English and IT, and strengthening university-industry linkages). Activities were also designed to focus on curriculum quality and content, management capacity, and linkages between industry and alternative higher education institutions.

The design included development grants to universities to improve the employment-related skills of their graduates and quality and innovation grants to improve the quality of their faculties and study programs. As part of this effort, the project was to work with representatives of industry to design the academic and training programs, which, in theory, would help to improve the labor market relevance of the curriculum. Grants were also provided to encourage applied research that would potentially lead to commercialization of new technologies.

The social and equity aspects of the objective were addressed at the system level by including the alternative higher education programs - advanced technologies institutes (ATIs) - under one qualification framework, but



also expanding access to higher education by establishing ATIs in underserved regions; and at the institutional level by developing curricula and activities that focused on multi-ethnic cohesion.

Finally, improving the capacity of human resources was addressed through enhancing both academic and management capacity. Academic capacity was to be strengthened through supporting faculty enrollment in postgraduate programs and management capacity through training and the establishment of a Leadership and Quality Development Center for SLIATE.

Monitoring and evaluation and policy studies were to inform the future policies and strategies of the development of this sector.

However, while the project design made sense broadly, several project features were innovative or relatively untested (e.g. results-based grants), and therefore whether, and how much, they would contribute to the project objectives was an open question. Some policy studies (e.g., the employability study) were potentially useful in adjusting the theory of change, but the use of these studies to inform the theory of change is not discussed in the ICR.

Rating

Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

Enhance the capacity of the higher education system and institutions to deliver quality higher education services in line with equitable social and economic development needs.

Rationale

PHORIGINALNARRATIVE

Rating

Substantial

Objective 2

Objective

Enhance the capacity of the higher education human resources to deliver quality higher education services in line with equitable social and economic development needs.

Rationale

The ICR provided one indicator relevant for this objective: Proportion of beneficiary academic staff in the higher education sector completing designated academic staff development programs.

The ICR states that 154 University and SLIATE academics completed advanced degrees, 82 percent of the



eligible group, which achieved the target of 80 percent. In addition, 1256 managerial and technical staff completed short-term training courses in human resources development. The ICR reports that this latter number represents over 200 percent of staff in the higher education institutions in 2011. However, this figure appears to be counting participation rather than participants, and, thus, it is unclear what proportion of individual staff were included. In addition, 83 Staff Development Centers were established in various universities, 2561 academic staff members were trained in academic skills, and 1400 technical staff were trained in technical topics such as laboratory maintenance and health and safety at work. (However, these numbers appear to be counting participation rather than individual participants.) A key output related to this objective was the Leadership and Quality Development Center that was established at the ATI Dehiwela.

Rating
Substantial

5. Efficiency

The PAD calculated the project internal rate of return to be 17% (base case scenario). The cost-benefit analysis included all project components (PAD, pp. 101-103), utilizing assumptions based on the relationship between earnings and education in Sri Lanka, as well as assumed sectoral efficiency. The ICR replicated the cost-benefit analysis based on the assumptions of the original analysis, and arrived at an IRR of 18.5%, slightly higher than the PAD base-case scenario (ICR, pg. 29). This value is similar to the ones from other higher education projects in other countries.

The project completed implementation within time and budget. The ICR provides no other information regarding efficient use of project resources.

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 (%)
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Appraisal	✓	17.00	100.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	18.50	100.00 <input type="checkbox"/> Not Applicable

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

6. Outcome

The project relevance is rated high, given its alignment with the World Bank's strategy documents (CAS, FY09-12; CPF, FY17-20) as well as with the government's own NEC National Policy Framework of 2009, and its design is based on a plausible theory of change. The project efficacy is rated substantial, based on the achievement of its targets, although some outcomes (such as the employability, social cohesion) are not robustly measured. Finally, its efficiency is rated substantial based on the fact that it was fully completed within the original timeframe and budget. The cost-benefit analysis also indicates a rate of return that is comparable to the appraisal estimate and to similar investments in other countries.

a. Outcome Rating

Satisfactory

7. Rationale for Risk to Development Outcome Rating

The risk to development outcome is rated modest. A similar project is planned, Accelerating Higher Education Expansion and Development Program (AHEAD), and reforms introduced under the current project are to continue under the new project. However, as noted in the outcome section above, it is unclear whether the specific reforms and programs introduced under the current project are relevant and of adequate quality, and have been or are likely to be institutionalized.

a. Risk to Development Outcome Rating

Modest

8. Assessment of Bank Performance

a. Quality-at-Entry

The quality of entry is rated satisfactory. According to the ICR, the Bank team worked closely with the Government to design the project, which was aligned with the Government's education strategy (also see section 3) and based on its own analytical work, the World Bank's Higher Education Sector report, previous



projects in the sector in Sri Lanka, and well as experience in other countries (ICR, pg. 16). The risk assessment (PAD, page 15) considered the overall project risk level to be moderate, identifying the possibility of student unrest (motivated by national political interests) as the only significant risk; although there was no clear mitigation measure planned in response, this risk did not materialize. Other risks stemming from inadequate implementation/fiduciary capacity of the various higher education institutions were mitigated by assigning such responsibilities to the Project Planning and Development Unit (PPDU). The Bank conducted economic analysis, and a relatively strong monitoring and evaluation system was also designed and instituted as part of the program.

Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

The quality of supervision is rated satisfactory. Supervision missions were carried out twice a year, with continuity provided by a single task team leader through the entire project cycle. The Development Outcome and Implementation Progress ratings from supervision reports remained satisfactory throughout the duration of the project, and the ICR notes that the performance was also satisfactory specifically with respect to financial management, procurement, and environment-related activities (pg. 17). The team resolved issues quickly (such as the counterpart's unfamiliarity with World Bank procedures for financial management and procurement). The project actual disbursement profile was very close to the planned disbursement profile (ICR, pg. xi), indicating smooth project implementation.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

According to the ICR, the goals of the higher education sector remained unchanged under both administrations that were in place during project preparation and implementation, and the government remained committed to the project (ICR, pg. 17). This was reflected by efforts to engage the key stakeholders and policy makers (i.e. Ministry of Higher Education, National Education Commission, University Grants Commission, various higher education institutions) in policy dialogue and collaboration of efforts. In addition, strengthening the governance framework for higher education was a critical step in advancing the sector.

Government Performance Rating

Satisfactory



b. Implementing Agency Performance

The project planning and development unit (PPDU) was the implementation agency in the Ministry of Higher Education. The ICR notes that it was staffed by qualified academics and officials and provided efficient implementation, monitoring and reporting (ICR, pg. 17). The PPDU, with the Bank team, provided assistance regarding World Bank procurement and financial management procedures to the Operations Technical Secretariats in the Universities, which faced some initial difficulties, and strengthened implementation of their programs. Despite some shortcomings, M&E was utilized to improve project performance. There were no problems reported in safeguards or fiduciary compliance.

Implementing Agency Performance Rating

Satisfactory

Overall Borrower Performance Rating

Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The M&E design comprised collection of routine monitoring information of key activities and outputs to be achieved, as well as studies to assess expected outcomes, including attitudes of students and staff towards different ethnic groups, tracer studies of student's labor market experience, and student and staff satisfaction with the institutions through the program. The outcome-related studies (on students' employability and attitudes) were appropriate for assessing the achievement of project objectives. Other studies were to be identified during implementation to inform policy formulation and strategy development (PAD, pg. 59; ICR pg. 8).

However, key aspects of the project's theory of change were not empirically assessed through the M&E system, including, for example, the quality of the programs introduced and the factors that might facilitate or hamper their effectiveness, as well as the efficacy and efficiency of a grants-based approach.

b. M&E Implementation

The M&E framework was to be implemented by a number of different groups at the national, institutional, and project levels (PAD, pg. 59; ICR pg. 8). The PPDU coordinated the M&E activities, and the policy studies were conducted by universities and other agencies (ICR, pg. 8)

The results framework included some key output indicators, the baselines for which were established at the beginning of the program and end-of-project data were recorded.

A mid-term review was conducted in February 2014, as well as a beneficiary survey and a stakeholder workshop.



c. M&E Utilization

M&E was utilized dynamically and lessons learned from experience were incorporated in further project implementation. The ICR provides the examples of the QA process and the rollout of the UDGs and QIGs (ICR, pg. 8). Based on experience of the UDGs, a second round was provided for programs in the arts, humanities, and social science faculties. Lessons were also utilized from the QA review process. It is unclear however how the findings of the mid-term review were used, and how the different policy and tracer study information was utilized for project improvement, particularly with respect to intended outcomes such as social cohesion and employability.

M&E Quality Rating

Substantial

11. Other Issues

a. Safeguards

The project was classified as category B for environmental risks and did not include any land acquisition (according to the TTL, the ATIs were built on government-owned land). The ICR states that there were no issues with compliance with environmental safeguards and no issues with respect to social safeguards (ICR, pg. 9)

b. Fiduciary Compliance

The ICR reports that all audit reports were satisfactory and there were no outstanding audit reports. Financial reports were submitted in a timely fashion. The 2015 audit had one qualified opinion that was not material in nature (ICR, pg. 9). (The specific audit issue is not mentioned in the ICR. The TTL notes that the auditor raised the issue that some staff had been hired without government approval. However, the PPDU responded that these were consultants who had been hired with the Financing Agreement guidelines and within the Bank's procurement procedures. In addition, the SLQF guidelines had to be distributed in 2015 but this activity was completed in 2016)

Procurement was rated satisfactory with no major procurement problems.

c. Unintended impacts (Positive or Negative)

None Noted

d. Other



12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	---
Risk to Development Outcome	Modest	Modest	---
Bank Performance	Satisfactory	Satisfactory	---
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 mentions, and the ICRR endorses, the lessons below, which are based on clear information and evidence in the ICR. They are paraphrased from the ICR (pg. 19).

1. It is efficient to apply the principle of subsidiarity to a decentralized system such as a university network, as it leads to smooth implementation
2. Multiple rounds of competitive grants afford the opportunity to learn from the grant-making process, improve the competitive process, and identify results
3. A full set of reforms needs to be considered for outcomes that depend on multiple systems. In the case of the current project, commercialization of research projects was not achieved by universities because of the lack of required procedures and legislation.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR is clearly written and straightforward, with a good amount of information on the achievement of objectives. However, sources of some of the data on outcomes (e.g., employability; attitudes of graduates)



could have been better documented and used for an even more robust analysis of the project outcomes (including discussions regarding the quality and relevance, using empirical evidence).

a. Quality of ICR Rating
Substantial