PROJECT PERFORMANCE ASSESSMENT REPORT

REPUBLIC OF ZAMBIA

TECHNICAL EDUCATION VOCATIONAL AND ENTREPRENEURSHIP TRAINING DEVELOPMENT SUPPORT PROGRAM
(Cr. 3521-ZA)

June 15, 2011

IEG Public Sector Evaluation
Independent Evaluation Group
Currency Equivalents (annual averages)

Currency Unit = Zambian Kwacha (ZMK)

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Abbreviations and Acronyms

- DANIDA: Danish International Development Agency
- DCA: Development Credit Agreement
- GRZ: Government of the Republic of Zambia
- GTZ: German Society for Technical Cooperation
- ICR: Implementation Completion Report
- IEG: Independent Evaluation Group, the World Bank
- IEGPS: IEG Public Sector Evaluation
- M&E: Monitoring and Evaluation
- MSTVT: Ministry of Science, Technology and Vocational Training
- PAD: Project Appraisal Document
- PCO: Program Coordination Office
- PPAR: Project Performance Assessment Report
- SWAp: Sector-Wide Approach
- TDP: TEVET Development Program
- TEVET: Technical Education, Vocational and Entrepreneurship Training
- TEVETA: TEVET Authority
- TI: Training Institution
- TVET: Technical and Vocational Education and Training

Fiscal Year

Government: January 1 – December 31

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Principal Ratings

Technical Education Vocational and Entrepreneurship Training (TEVET) Development Program Support Project (Cr. 3521-ZA)

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* The Implementation Completion Report (ICR) is a self-evaluation by the responsible Bank department. The ICR Review is an intermediate IEG product that seeks to independently verify the findings of the ICR.

Key Staff Responsible

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<td>Patrick D. Murphy</td>
<td>Dzingai B. Mutumbuka</td>
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<td>Carlos A. Rojas</td>
<td>Christopher J. Thomas</td>
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About this Report

The Independent Evaluation Group assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank’s self-evaluation process and to verify that the Bank’s work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEG annually assesses 20-25 percent of the Bank’s lending operations through field work. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEG staff examine project files and other documents, visit the borrowing country to discuss the operation with the government, and other in-country stakeholders, and interview Bank staff and other donor agency staff both at headquarters and in local offices as appropriate.

Each PPAR is subject to internal IEG peer review, Panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible Bank department. The PPAR is also sent to the borrower for review. IEG incorporates both Bank and borrower comments as appropriate, and the borrowers’ comments are attached to the document that is sent to the Bank’s Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

About the IEG Rating System for Public Sector Evaluations

IEG’s use of multiple evaluation methods offers both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. IEG evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (additional information is available on the IEG website: http://worldbank.org/ieg).

**Outcome:** The extent to which the operation’s major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance, efficacy, and efficiency. **Relevance** includes relevance of objectives and relevance of design. Relevance of objectives is the extent to which the project’s objectives are consistent with the country’s current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, Operational Policies). Relevance of design is the extent to which the project’s design is consistent with the stated objectives. **Efficacy** is the extent to which the project’s objectives were achieved, or are expected to be achieved, taking into account their relative importance. **Efficiency** is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. The efficiency dimension generally is not applied to adjustment operations. **Possible ratings for Outcome:** Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

**Risk to Development Outcome:** The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). **Possible ratings for Risk to Development Outcome:** High, Significant, Moderate, Negligible to Low, Not Evaluable.

**Bank Performance:** The extent to which services provided by the Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan/credit closing, toward the achievement of development outcomes. The rating has two dimensions: quality at entry and quality of supervision. **Possible ratings for Bank Performance:** Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

**Borrower Performance:** The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. **Possible ratings for Borrower Performance:** Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.
Preface

In support of the Zambia Technical Education Vocational and Entrepreneurship Training Development Support Program (TDP), an IDA Credit (Cr. 3521-ZA) in the amount of SDR 19.5 million (US$ 25 million equivalent) was approved on June 14th, 2001, and became effective on February 13th, 2002. This Credit represented 26 percent of the estimated US$ 95 million total program costs at appraisal, to be co-financed by the Government of the Republic of Zambia, the Netherlands, DANIDA and GTZ. The credit closed on December 30th, 2008, after a two-year extension, having disbursed 96 percent of the original commitment.

This Project Performance Assessment Report assesses the performance of the TDP as a whole and the performance of the Bank in supporting the program. It is based on reviews of the Implementation Completion Report, the Project Appraisal Document, legal documents, and project files; on discussions with Bank staff involved with the project, and on interviews with relevant stakeholders – government officials, NGOs, donor partners, private sector representatives – and visits to training institutions, during a mission to Zambia in January 2011. The mission appreciated the courtesies given by the Ministry of Science, Technology and Vocational Training and by TEVETA.

The evaluation was undertaken to provide input to IEG’s upcoming evaluation of the World Bank’s support to skills development and youth employment. It also provides lessons for governments and donors attempting major reform of the TVET sector – from supply-driven to demand-driven provision of training – particularly in countries with a large informal sector and limited experience of public-private partnerships.

Following standard IEG procedures, copies of the draft PPAR were sent to the relevant government officials and agencies for their review and feedback. Their comments are presented in Annex E.
Summary

This document reviews the performance of the Zambia Technical Education Vocational and Entrepreneurship Training Development Program (TDP) and the performance of the World Bank in supporting the TDP through an IDA Credit (Credit 3521-ZA), approved in June 2001. The objectives of the TDP were to create a high-quality, sustainable, demand-driven and equitable training system capable of improving skills in both the formal and informal sectors of the economy.

As in many African countries and in other parts of the world, Zambia’s traditional TVET system had comprised a network of centrally funded and managed institutions, primarily taking sixteen to eighteen-year-olds straight from school into full-time (often boarding) vocational courses of one to three years. Typically, the high capital and recurrent costs of this type of training, combined with lack of incentives to innovate, led to progressive deterioration of buildings and equipment, the use of outdated machinery, materials, curricula and teaching methods, and a scarcity of well-qualified instructors with industry experience. Such systems showed mixed to poor results in the employment and incomes of graduates. They were unable to respond flexibly to changing technology and labor market conditions, ill-suited to reaching the informal sector or meeting in-service training needs, and too expensive to sustain. Policy for the sector has thus shifted internationally towards institutional reforms that can help orient training to employment needs and diversify both the forms of training and the sources of funding.

In this context, the TDP was designed to support an ambitious transformation of Zambia’s TVET system, involving a comprehensive package of reforms: granting financial and managerial autonomy to the publicly-owned training institutions under management boards; establishing an autonomous national training authority (TEVETA) responsible for regulation and quality assurance; financing training in all types of training institutions through a competitive fund (TEVET Fund) to be managed by TEVETA; and diversifying sources of funding through cost recovery (student fees) and a proposed payroll levy on enterprises. Implementation authority for TVET would be devolved from central government to the new training authority and training institutions, while the role of the line ministry (MSTVT) would shift to information management, policy formulation and change management. The new Technical Education Vocational and Entrepreneurship Training (TEVET) Policy, which the TDP was designed to support, explicitly incorporated entrepreneurship and other training for the informal sector and covered all types of training in private and NGO as well as government-owned training institutions.

To help finance transition of the system, the TDP was proposed to mobilize additional external assistance. The principles of a Sector-Wide Approach (SWAp) were followed in so far as the IDA Credit was combined with assistance from three other external partners and government resources in an agreed common sector program of nine components (costed at a total of US$95 million). However, the external partners adopted different funding modalities and country systems were not used. The Netherlands and IDA funds were managed by the line ministry (MSTVT) while DANIDA’s TEVET
Sector Program Support by-passed the ministry and was implemented directly with TEVETA and with four individual training institutions. GTZ maintained its on-going program with individual training institutions.

The program objectives were highly relevant to Zambia’s economic and social needs at the time of appraisal and remained relevant at closing of the IDA credit in December 2008. Improving skills of the work force was considered to be critical to the development priorities of economic diversification through improvement in productivity and competitiveness in new sectors, and of inclusive growth which depended on raising productivity and incomes in Zambia’s very large informal sector. The objectives, however, were found to be excessively ambitious in relation to the allocated time and resources and the available capacity.

The TDP experienced substantial difficulties in implementation, attributed in part to a lack of clearly defined roles and responsibilities and insufficient consensus or willingness to cooperate between the various parties involved in implementation and, in particular, to delay in the legislation to allow establishment of the TEVET Fund. The closing of the Credit was extended for two years to allow completion of many of the planned outputs but still only allowed for two years of operation of the Fund.

Program reporting and M&E were not strong, making it difficult to assess the achievement of objectives. On the basis of available evidence, the TDP made considerable progress towards raising the quality of the system, in particular through the new quality assurance and curriculum development procedures implemented by TEVETA, which could be expected to lead to improvements in the quality of training over time. Also with the aim of improving quality, civil works and new equipment were procured for training institutions, although some shortcomings were evident in needs assessment and quality control. Progress was also made towards increasing the demand orientation of training, by involving industry experts through TEVETA in setting standards, reviewing curricula, and developing modular and in-service training capacity. Other demand-relevant measures, including strengthening the influence of the private sector through local management boards of training institutions, and the channeling of government and private finance for training through the TEVET Fund, were not successfully accomplished: management boards were established, with some delay, but they had limited authority and did not take on an important role; and the TEVET Fund was only briefly piloted with donor funding, without contribution from the government or private sector. On the objective to create an equitable system, bursaries were awarded and sector policies were developed for gender and HIV/AIDS; however, the available information does not point to more than modest overall effect on equity of the system. The TDP failed on its sustainability objective and the TEVET Fund ceased operation when external funding ended.

The broad objective of creating a system capable of improving skills for the formal and informal sectors was only modestly achieved, as the TDP did not succeed in establishing the relevant sector governance and financing framework. The intended activities for sector information management, skills development strategy and policy development were not accomplished. For the informal sector, training initiatives were
successfully piloted through the TEVET Fund, but over a shorter period and with less funding than planned and these initiatives ceased when donor funding ended. Efficiency was Modest due to delays and to wastage in some activities. Overall, the Outcome of the TDP was thus Moderately Unsatisfactory.

The Risk to Development Outcome is Substantial, due to failure to sustain commitment to the reform policy or to secure financial sustainability. The initial proposal of introducing a payroll levy to help finance the TEVET Fund was not followed up and no alternative mechanism for private sector contributions was put forward. In the two years following closure of the IDA Credit, government funding for the sector was not channeled (as had been agreed) through the TEVET Fund which therefore ceased operation. At the time of the PPAR mission in early 2011, the proposed autonomous status of the ministry-affiliated training institutions was not fully implemented in practice and their training operations continued to suffer from shortage and uncertainty of funding. The mission found substantial disagreement among stakeholders on the best way forward for these institutions: whether to revert fully to direct MSTVT funding and management, or pass control fully to the management boards and TEVETA. On the positive side, the capacity built in TEVETA had not been lost (with the exception of TEVET Fund management where senior staff had to be let go). Although its operations continued to be constrained by the uncertain financing and policy environment, TEVETA had maintained its regulatory and quality assurance functions, and was developing new initiatives in liaison with industry representatives towards a national qualifications framework and a TEVET Learnership Scheme linking training providers and employers.

Performance of the World Bank was Moderately Unsatisfactory, a major shortcoming being underestimation of key risks: in particular, the challenge in sustaining political will to implement difficult reforms; and the shortage of skills and capacity for implementation. Insufficient attention was given during preparation to ensuring clarity in institutional and implementation arrangements, and readiness for implementation. At approval of the credit, the legal basis for the TEVET Fund had not been established; there was no agreement or confidence concerning the proposed payroll levy or other mechanism to secure sustainability of the Fund; and plans for M&E and capacity building were insufficiently developed. During implementation, more support was needed from the Bank team to M&E, planning for financial sustainability, and earlier revision of the complex implementation arrangements. Borrower performance was variable. Strong performance by TEVETA contrasted with lack of continuity in policy commitment, inadequate M&E, and delays and deficiencies in annual budget plans, procurement and reporting. On balance, Borrower Performance was Moderately Unsatisfactory.

The experience of the Zambia TDP exemplifies the challenges in shifting the TVET system from supply- to demand-driven provision of training in a country with little experience in public-private partnerships and a large informal sector. Key lessons are:
**Political Economy Challenges**

- Design of TVET reform should be based on in-depth information and analysis of the relevant strength, perceptions, interests and incentives of different stakeholder groups.
- Before attempting nationwide implementation of radically new governance and financing arrangements in TVET, piloting should be considered and flexibility should be built into the plans.
- Clear definition of respective roles and responsibilities -- for the sector as a whole and in project or program implementation – is crucial for successful implementation of TVET reform.
- Devolving managerial authority for publicly-owned training institutions from central government to local management boards is liable to be de-railed by lack of sufficient autonomy, capacity building or financial resources.

**TVET Financing**

- A national training authority can provide a good base for a competitive fund channeling resources for training, so long as it is professionally managed and clearly independent from the provision of training.
- A competitive training fund under non-government management can be effective in addressing needs in the informal sector and for in-service training (as well as formal pre-employment training) but sustainability is a major challenge.
- The use of a payroll levy for the training sector is best suited for finance of in-service training and is difficult to apply in low-income countries or for the informal sector.

Vinod Thomas
Director-General
Evaluation
1. **Background**

1.1 After decades of declining standards of living, Zambia’s economy started growing and per capita incomes started rising slowly in the late 1990s and strongly in the 2000s. Good macroeconomic performance coupled with fast pace of growth in mining, construction, telecommunications and tourism, helped spur GDP growth of 5.4 percent on average in 2001-2009. However, this growth did not translate into significant poverty reduction. In the late 2000s, some 60 percent of the population were living below the poverty line (80 percent in rural areas) and 37 percent considered to be in extreme poverty. With high rates of child malnutrition and high prevalence of HIV/AIDS, Zambia had the lowest life expectancy in the world in 2007.

1.2 Growing importance of the informal sector within total employment – to some 88 percent from the 2005 labour force survey (Table 1-1 below) – was related to the decline of the copper mining industry during the 1990s, combined with the effects on other industries of import liberalization. The mining sector, accounting for less than two percent of employment, continued to dominate the formal economy (contributing two thirds of total export revenue in 2005), despite vast potential for diversification. Of the employed population in 2005, 72 percent were engaged in the agriculture sector (Table A-11) while 81 percent were either self-employed or unpaid family workers. Of the total labor force of some 5 million, unemployment in Zambia was estimated at 16 percent, youth unemployment close to 25 percent (Table A-12), and under-employment of employed persons at 84 percent.

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<td></td>
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<tr>
<td>Formal private sector</td>
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<td>Government</td>
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Source: 2005 Labour Force Survey

1.3 To accelerate growth and reduce poverty, Zambia’s strategic priorities are to promote diversification by increasing national competitiveness and productivity in new sectors, and to ensure that the informal and the rural economies – on which the majority of the population depends for its livelihood – contribute meaningfully to overall growth. Strengthening human resources, through broader access to higher quality education and training, is considered crucial to addressing these priorities and realizing Zambia’s “Vision 2030” of becoming a prosperous middle income nation within the next 20 years.

1.4 Zambia has been successful in rapidly expanding enrolments in all levels of education and training over the last two decades. The emphasis has been on primary and basic education – with the support of external donors including the World Bank through the Basic Education Sub-Sector Investment Program – and Zambia is within reach of meeting the Millennium Development Goal of ensuring that “by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.” Post-basic education opportunities have also expanded but are still much scarcer: of children completing Grade 7 in the late 1990s, about one in five went on to complete Grade 12, and one in 22 was
admitted to a tertiary institution. TVET institutions accounted for just over half of the tertiary admissions, the remainder admitted to one of Zambia’s two universities. However, the expansion in education enrolments has not been adequately funded, resulting in a “low-cost, low-quality” education system.\(^1\) Public funding to education fell substantially below comparator countries and, within total education expenditure, the share to basic and secondary schooling fell especially short (Table A-6).

1.5 The government has identified the shortage of skilled labor as a constraint to national competitiveness, diversification, and equitable growth. Employers express concern that the quality of secondary school graduates is poor, particularly in knowledge of math and science. They also complain that TVET graduates lack relevant knowledge and skills: they have to invest heavily themselves in their own training or re-training of workers and recruit expatriates for many positions. Productivity in the informal sector is low overall and is related to level of education: a recent study found that secondary education, in particular, had a significant impact in raising productivity.\(^2\)

1.6 Most TVET in Zambia is at the tertiary level. Zambia’s TVET system comprises some 60 government-affiliated training institutions (TIs) of different types and more than 200 registered non-government TIs (Table 1-2 below). Twenty-three TIs – Technical Colleges offering programs of up to three years, and Trades Training Institutes offering programs of up to two years, mostly with boarding facilities – are affiliated with the Ministry of Science, Technology and Vocational Training (MSTVT) and admit students selectively from grade 12 secondary school graduates. Prior to 1998, these were managed directly by the MSTVT and their staff were on the government payroll. Overall quality was poor and deteriorating, due to lack of funding for capital improvements and equipment, inadequate and uncertain funding of recurrent costs, combined with outdated curricula and teaching methods, overstaffing, and shortage of qualified instructors. Other ministries had also established TIs, some geared to the needs of school drop outs as well as secondary graduates, and similarly under-resourced. These include the Ministry of Education (Colleges of Continuing Education); the Ministry of Community Development and Social Services; and the Ministry of Sport and Youth Services.

1.7 Total enrolments in registered TIs were reported at 22,564 in 2006, of which 9,304 were in MSTVT-affiliated TIs (Table A-8).\(^3\) Most TVET in Zambia is provided by non-government providers (Table 1-2). These include: private for-profit training providers, a rapidly growing sector, ranging from thriving modern institutions to small, opportunistic

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1 Zambia Education Public Expenditure Review, World Bank 2006. In 2004, government expenditure on education, including TVET, amounted to 3.2 percent of GDP (compared with an average above 5 percent in comparator countries in the region); education’s share of the public service wage bill, at only 26 percent, was about half that found in comparator countries; and while comparator countries allocated an average of 75 percent of their total education expenditure to primary and secondary schooling, the share in Zambia was only 66 percent.

2 Zambia Business Survey, 2010, found that secondary education of the firm’s owner had a statistically significant positive impact in the productivity of Medium, Small and Micro Enterprises, while the impact of TEVET or tertiary education was not significant and was smaller than in similar studies in other countries.

3 MSTVT, TEVET Digest 2006
start-ups; industry-run or in-company training centers; and numerous NGO and faith-based providers oriented to the needs of the poor and disadvantaged for informal sector jobs and self employment as well as formal sector employment. There is also a hybrid category of TIs formerly associated with parastatals and governed by boards of trustees. The number of unregistered institutions in operation is unknown but thought to be substantial.

Table 1-2: Number of Registered Training Institutions in Zambia by Type, 2008

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<th>Type of Institution</th>
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</table>

Source: TEVETA

1.8 From the early 1990s, the government focused attention on the inadequacies of the TVET sector which had been established to support the mining and former parastatal industries and was not geared to the challenges that resulted from opening up of the Zambian economy: growth of the informal sector; and the pressures of competition in the formal sector whose skill needs were rapidly evolving. With assistance from DANIDA and the Netherlands from 1994, and the World Bank and others from 1998, the government embarked on reforming the skills training system. A new policy for the sector was approved in 1996, a Strategy Paper in 1997, and a new Act in 1998.

1.9 The Technical Education, Vocational and Entrepreneurship Training (TEVET) Policy (1996) stated that the system needed to be highly responsive to employment patterns of the economy. It aimed to address the needs of the informal as well as formal sectors, adding entrepreneurship training as a core function, reflected in the name of the new policy. Institutional and non-institutional training inside and outside of government establishments would be recognized and encouraged. Toward those objectives, the organizational and management structure for TEVET would be reviewed. In order to increase and diversify sources of financing, a training fund would be established.

1.10 The TEVET Act of 1998 enabled the government ministries to appoint Management Boards for government sponsored training institutions, assigning them some autonomy in management functions including staffing and cost recovery. It also created a Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) and specified its functions (Box 1-1). The Act also transferred some responsibilities formerly carried out by MSTVT to TEVETA and the boards of training institutions, but it did not describe the residual responsibilities of MSTVT following the creation of Management Boards and TEVETA. It also did not provide a legal basis for the proposed TEVET Fund, through which public, private and external resources for training were to be channelled.

1.11 The TEVET Development Program (TDP) was proposed to mobilize additional external assistance to help finance transition of the system. According to the program implementation plan, the TEVET Act would be reviewed and amended by 2002, so that the
TEVET Fund would be operationalized by September 2002. The question of the feasibility of introducing a payroll levy for sustainable financing of the Fund was deferred, on the grounds that the private sector would be more willing to consider this when the TEVET Fund was operating effectively and improvements had been demonstrated in the quality and relevance of training.

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**Box 1-1. TEVET Legal Framework**

**The 1972 Act** officially charged the Department of Technical Education and Vocational Training (DTEVT) of the MSTVT with administration of TEVT in Zambia, providing for the department to operate a centralized, publicly supported training system with the aim of producing specialists at the crafts, technician and technologist levels for employment in the formal sector of the economy. DTEVT was responsible for decisions on course offerings, curriculum and training modes, staffing and student places, and for budgeting and administration of funding for salaries and other expenses in the MSTVT institutions. The Act also made DTEVT responsible for registering and monitoring private training providers and for training standards and certification throughout the country.

**The 1998 Act**, replacing the previous legislation, defined a more decentralized governance framework. It established the Technical Education Vocational and Entrepreneurship Training Authority (TEVETA) as an independent legal entity charged with regulating, monitoring and coordinating TEVET in coordination with industry, employers, workers and other stakeholders. The functions assigned to TEVETA included: advise the MSTVT on TEVET in Zambia; regulate and advise Management Boards of publicly owned TIs; develop curricula; set standards; administer examinations and trades tests; register and inspect both public and private TEVET institutions. TEVETA was to be headed by a Director-General, reporting to the TEVETA Board composed of government and non-government stakeholder representatives.

The Act also enabled MSTVT, in consultation with TEVETA, to establish legally autonomous Management Boards of publicly-owned TIs, charged with providing training, developing curricula, maintaining standards prescribed by TEVETA, staffing and compensation, administration, and cost recovery through fees for tuition, boarding and other services. The principal of the TI would be appointed by and accountable to the Management Board.

These provisions represented a radical change in TEVET governance, decentralizing decisions and management to semi-autonomous entities, with the potential of developing new means and incentives for quality improvement, efficiency and demand-responsiveness in the provision of training. What the 1998 Act did NOT do, however, was to define the revised, residual role (or closure) of DTEVT, when most of its functions had been transferred to TEVETA, or to fully clarify the nature of autonomy of TEVETA or the TI Management Boards. The MSTVT, with overall responsibility for the sector, would appoint the members of the TEVETA Board, the TEVETA Director General, and members of the TI Management Boards; MSTVT would also approve the terms and conditions of service for TEVETA staff, and the charging of fees for tuition or other services by TI Management Boards.

The 1998 Act also did not allow for establishment of the proposed Training Fund under TEVETA.

*Sources: The Technical Education Vocational and Entrepreneurship Training Act, No. 13 of 1998*

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1.12 The Government’s TDP Statement of Sector Policy (April 2001) built on the policy and legal documents mentioned above. It says that “MSTVT will coordinate policy formulation, monitor and evaluate the system, and provide financing to the system. The autonomous training institutions, along with TEVETA, will be the main bodies implementing
TEVET.” Regarding financing: “Government is committed to giving the MSTVT training institutions a grant to pay the salaries of their staff in the short term. In the long term, MSTVT will finance TEVET through the TEVET Fund”. The TEVET Fund, to be located within TEVETA, would be innovative in two important respects: (a) it would be accessible competitively by private as well as public TEVET providers; (b) it would be “demand-driven” in the sense that demonstrated success in labor market placement would be an important criterion for courses to qualify for subsidization.

1.13 A joint appraisal of TDP by representatives of DANIDA, GTZ, the Netherlands, and the World Bank took place in January 2001, resulting in a Joint Appraisal Report. The EU and JICA also participated in some of the plenary meetings in Lusaka. According to its terms of reference, the Joint Appraisal would provide directions for support “through the principles of Sector Wide Approach (SWAP).”

1.14 The IDA Credit in support of TDP was approved in June 2001, and became effective in February 2002.

2. Program Objectives and Design

Objectives

2.1 The objectives of the program as stated in the Project Appraisal Document (PAD) were “to develop a Technical Education, Vocational and Entrepreneurship Training (TEVET) system that has the potential to improve skills for both the formal and informal sectors of the economy through creating a high-quality, sustainable, demand-driven and equitable training system.”

2.2 The objectives as stated in the legal agreement of the Credit (DCA) were phrased differently: “The objective of the Project is to assist the Borrower in developing and carrying out a technical education, vocational and entrepreneurship training (TEVET) program which will create a high-quality, sustainable, demand-driven and equitable training system capable of improving skills in both the formal and informal sectors of the economy.” This statement in the DCA is used as the benchmark for evaluation in this PPAR as it is more evaluable.

Design

2.3 The objectives of the IDA Credit were the same as those of the overall TEVET Program (TDP) which would be implemented through a partial form of Sector-Wide

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4 The World Bank defines the Sector-Wide Approach as “an approach to a locally-owned program for a coherent sector in a comprehensive and coordinated manner, moving toward the use of country systems. SWAs represent a …shift in the focus, relationship and behavior of donors and governments. They involve high levels of donor and country coordination for the achievement of program goals, and can be financed through parallel financing, pooled financing, general budget support, or a combination. While the literature offers a wide array of SWA definitions, attributes, and interpretations, it is consistent in highlighting an evolving partnership between governments and development partners (DPs), coalescing around their joint support of nationally-defined programs and focused on results.” *Do Health Sector-Wide Approaches Achieve Results?* IEG Working Paper, 2009.
Approach. The approach met the definition of a SWAp in so far as external assistance to the sector was combined with government funding in an agreed common program. The use of country systems, however, was not considered feasible. External assistance from the four partners would take two different forms: funding through MSTVT (IDA and the Netherlands); and parallel programs with specific institutions (DANIDA and GTZ).

2.4 The IDA credit represented 26 percent of the estimated total TDP costs, to be administered by MSTVT and applied to any of the program components on the basis of annually agreed expenditure plans. The Netherlands would finance 15 percent through the same modality. DANIDA, through its TEVET Sector Program Support, would contribute 16 percent through separate arrangements, by-passing the ministry and working directly with TEVETA and four individual TIs. GTZ, also working independently through its on-going programs with selected TIs, contributed two percent. The balance was accounted for by an estimated 32 percent from the GRZ and Zambian non-government sources (including user fees and industry), and a six percent “financing gap.”

2.5 As described in the appraisal document, the agreed common program comprised nine components with estimated total costs of US$95 million (36 percent of which were recurrent costs):

- **Program management**, including MSTVT recurrent costs (US$4.26 M): Support Project Steering Committee, Program Coordination Office with Coordinator and TA, and MSTVT program management functions.
- **Financing of the TEVET system** (US$15.3 M): Support design, establishment and administration of the Training Fund to pilot financing of pre-employment and employer-based training; TA team to run the Fund for the first ; build capacity of TEVETA to take on Fund operation within 3-4 years.
- **Organization and management of the system** (US$5.39 M): Strengthen capacity in MSTVT, TEVETA and TIs in their respective responsibilities: MSTVT for national sector policy formulation, monitoring and evaluation; TEVETA for examinations, standards and other quality-related issues; and TIs for implementation of the reforms at the ground level.
- **Training systems, testing and examinations** (US$2.15 M): Assist TEVETA and build its capacity to perform its functions more efficiently, including inspection and regulation of training providers, monitoring standards, establishing consultative relationship with TIs, working with TIs and industry in curriculum development, taking over administration of examinations, advising on selection of TIs for refurbishment and equipment.
- **Entrepreneurship and informal sector training** (US$4.38 M): Assistance through TEVETA to public and private TIs in developing and implementing innovative approaches to training services for the informal sector: short term skill upgrading, funding through intermediate institutions. TEVETA would supervise implementation and develop capacity but management and implementation would be entrusted to team of experts with operational autonomy. The private sector and other key players would be involved and activities would be outsources where possible.
- **Human resources development** (US$6.37 M): Because of its importance, the government insisted on a separate component focused on capacity building. Each level of institution – MSTVT, TEVETA and TIs – would be assisted in developing decentralized HRD plans as part of a business plan.

- **TEVET information system** (US$1.14 M): Under responsibility of MSTVT, build information system to provide the information and analysis critical for policy making under the new sector governance/management arrangements. Assist each level of institution in establishing a relevant information system for monitoring at each level, establish program indicators and milestones, produce and disseminate accurate timely information, implement surveys, build capacity.

- **Infrastructure and equipment** (US$55.14 M): Support rehabilitation of TEVETA facilities, rehabilitation and provision of equipment and training materials to institutions that can demonstrate they are operating in a demand-driven manner. Criteria to be developed by the PSC and, over time, the functions would be taken over by the Training Fund.

- **Gender, HIV/AIDS and cross-cutting issues** (US$0.5 M): Support studies to analyze impact and introduce information on HIV/AIDS in training curricula and, with other stakeholders, support peer group meetings; support MSTVT efforts in the national effort to combat the virus, tapping funds from multi-sector program. Support development of gender strategic plan for the sector and establishment of focal persons on gender issues in MSTVT, TEVETA and TIs.

2.6 The complex institutional arrangements for implementation of the TDP components are outlined in Annex Table A-13. The components were not structured to reflect either the respective statutory accountabilities of different institutions for TEVET implementation or the different funding sources or modalities. Instead, with the objective of supporting coordination and reporting across the different donor activities and implementing entities, a Program Coordination Office (PCO) (with Coordinator, Financial Management Specialist, Procurement Specialist and M&E Specialist) would be set up on a temporary basis (despite concerns expressed by some of the partners that such “parallel” arrangements would not support the necessary mainstream capacity building). In addition, a Coordinator would be assigned for each program component.

### 3. Implementation

#### Implementation Experience

3.1 Implementation was subject to serious initial delays and was rated unsatisfactory by the World Bank from 2003 to 2005. Following a Joint Review whose recommendations were adopted in mid-2004, and a two-year extension of the closing date to December 2008, somewhat better progress was made in the last two to three years of implementation. The slow and difficult progress was attributed primarily to the complex and inappropriate institutional framework for implementation, compounded by frequent turnover of MSTVT leadership (just from 2001-03 there were five different regular or acting Permanent Secretaries of MSTVT).
3.2 The first consolidated Annual Work Plan and Budget was approved in early 2002. The PCO was staffed beginning in January 2002 with persons on 2-year contracts, and was set up in a government office building apart from MSTVT and TEVETA. Processes for procuring office equipment, tools, and workshop equipment, for civil works rehabilitation, and for recruiting consulting firms for various consultancies, got under way. But progress was slow and contentious and cooperating partners became concerned that the Program was underperforming in expenditure terms. In 2002, the rate of expenditure from the approved annual plan of IDA and Netherlands funds controlled by the PCO was only 13 percent. For the first nine months of 2003, the expenditure of IDA/Netherlands funds was only 16 percent of the approved full-year amount. The ratio of actual expenditure to budgets under the DANIDA assistance was better, but still below 50 percent. At the same time, key institutional reform activities were lagging. Attempts to recruit consultants for the planned consulting task on review of the TEVET Act were unsuccessful and the consultancy on establishment of the TEVET Fund lagged behind the original timetable, with a contract awarded only in June 2003.

3.3 These bottlenecks in TDP implementation were attributed in large part to confusion concerning roles and responsibilities, leading to tensions between MSTVT, the PCO, and TEVETA. Some degree of resistance would be inevitable on the part of parent-ministry staff in releasing control of longstanding functions to as-yet unproven and semi-autonomous entities (TEVETA, and the boards of TIs that had until recently been managed directly by the ministry). In this case, the tensions appear to have been exacerbated by duplications of roles and lack of clear accountability for the implementation of specific activities and program components. The administrative environment was further complicated by the creation of the PCO. Donors perceived that the PCO was functioning in a semi-detached manner, similar to a Project Implementation Unit, contrary to the principle that TDP functions would be carried out to the maximum extent possible by the respective departments of MSTVT and TEVETA. Also, a coordinator had been assigned for each program component but without sufficient regard to matching the assignees to their respective established responsibilities in MSTVT and TEVETA. Further, the disparity in compensation between MSTVT civil servants on the one hand, and TEVETA and the PCO on the other hand, was reported to be de-motivating contributions from MSTVT civil servants.

3.4 The funding agencies proposed in 2003 that a “Joint Review” be carried out, and this was agreed. The Review took place in November/December 2003, led by a Bank staff education specialist, with thirteen people selected by five appointing agencies: MSTVT, TEVETA, DANIDA, the Netherlands Embassy, and the Bank. A draft report was presented to government stakeholders in December 2003, and the Joint Review Report was finalized in 2004. Major findings of the review were:

- **Outputs**: Implementation progress toward component outputs had lagged seriously behind plans for all components. Reasons included overambitious annual plans and budgets, insufficient administrative capacity, cumbersome approval and procurement procedures, and an insufficient assessment of the implications of the reform process.
- **Outcomes**: Very slow progress had been made toward achieving the Development Objectives of quality, sustainability, demand-responsiveness, and equity. (This assessment was based on site visits and interviews since many of the objective
indicators depended on setting up new M&E systems and on baseline data that were still not available.)

- **Institutional issues:** The TEVET Act did not provide sufficient clarity and the TDP administrative design compounded the lack of clarity. “Reluctance to cooperate” was found.

- **Financial issues:** Domestically-resourced government funding for TEVET had decreased substantially in real terms (to half the agreed level of 0.8 percent of discretionary expenditure). TEVETA was heavily financially dependent on DANIDA, with DANIDA funds being 73 percent of TEVETA’s income in 2002. Because of weaknesses in accounting and financial reporting, the true financial condition of the MSTVT-affiliated training institutions was not very clear, but many had fallen into arrears to suppliers and other creditors, and some were “technically insolvent.” Development of financial management capacity in beneficiary institutions had been neglected.

3.5 The Review made 33 recommendations, including dissolving of the PCO and mainstreaming its staff and functions, some into MSTVT and others into TEVETA, expediting revision of the TEVET Act to allow establishment of the TEVET Fund, and clarifying the responsibilities of TEVETA. It was quickly agreed in principle that the PCO would be dissolved. However, the process between MSTVT and TEVETA on the details of mainstreaming absorbed several months. A joint response of MSTVT and TEVETA was approved in June 2004. The agreed changes in administrative arrangements included discontinuation of the title of Program Coordinator, a new Program Technical Committee chaired by the Permanent Secretary of MSTVT, and the allocation of responsibilities for “component coordination” between MSTVT and TEVETA in a way that reflected better their respective established responsibilities.

3.6 The IDA DCA was amended in 2005: (i) to reflect the changes in implementation responsibilities; (ii) to note agreed dates for covenants relating to revision of the TEVET Act; and (iii) to cover the Operations Manual and financial management requirements for TEVET Fund activities, as well as reallocating funds between categories. At this stage, the IDA credit was 37 percent disbursed, primarily on Goods (such as tools, workshop equipment, computers and other office equipment). The closing date was subsequently extended by two years, to December 2008, to allow the remaining activities to be completed.

3.7 An amendment to the TEVET Act was passed in May 2005, allowing the TEVET Fund to be established under the jurisdiction of TEVETA by late 2005; and the number of TEVETA Board Members was reduced from the originally specified 22 to a more manageable 11 with a majority of non-government members. The TEVET fund became fully operational in 2006, disbursing through three windows for recurrent funding and one investment funding window (Box 3-1).

3.8 Following the agreed changes in coordination arrangements and the establishment of the TEVET Fund, progress and disbursements improved considerably from 2005-2008, although implementation continued to be impeded to some extent by tensions between MSTVT and TEVETA. It appears that MSTVT was reluctant to lose control over financing of the MSTVT TIs to the TEVET Fund: government funds were not channelled through the
Fund; and when MSTVT TI proposals for significant infrastructure projects were approved through Fund procedures, these were taken on and administered directly by MSTVT, on the grounds that the size of contracts was beyond the TEVETA threshold. Continuity of external financing was also a continuing issue affecting planning and implementation of activities. By June 2004, the programs of assistance in the TEVET sector of EU, GTZ and JICA had all been completed without being renewed. DANIDA financing, which had been crucial to the development and on-going operation of TEVETA, was cut back and its program closed in mid 2006. The Netherlands, which had suspended its disbursements (while remaining in the policy dialogue) from mid-2004 to mid-2005 because of its disappointment with TDP implementation, resumed its disbursements directly to TEVETA instead of through MSTVT.

3.9 Despite the constraints, by closing of the IDA credit in December 2008, the TDP had implemented many of its planned activities, although with significant shortcomings in some areas:

- Development and implementation by TEVETA of quality assurance procedures, registration, accreditation, certification, standards and curriculum review, were achieved.
- Equipment and tools were provided to approximately 120 public and private TIs, although some of the equipment remained unused due to lack of essential parts or appropriate facilities, the equipment that arrived did not always match the TIs needs, and quality problems were reported. Wastage was attributed to inadequate initial needs assessment and attention to specifications.
- Civil works were carried out in all 23 MSTVT TIs, although with significant shortcomings reported in some cases due to inadequate supervisions of works, while 10 TIs also benefited from infrastructure/rehabilitation projects through the TEVET Fund.
- The TEVET Fund, albeit very late in the program and with reduced funding (Table A-4), developed transparent procedures and was successfully piloted, disbursing some US$4 million for pre-employment, in-service, informal sector training, and training of instructors, in public and private TIs, and infrastructure needs in MSTVT TIs, during its two years of operation (Box 3-1). There was no direct government contribution to the TEVET Fund at any stage, although the Treasury was reported to have released funds to MSTVT for this purpose in 2007.\(^5\)
- TDP fell far short of its plans for the Organization and Management of TEVET component and for Information Systems: meetings were conducted of the National TEVET Stakeholders Consultative Forum but national skills development plans and sector policy reviews were not produced; twinning arrangements were not pursued; M&E outputs were few and of mostly poor quality; equipment and software were purchased and delivered to 14 TIs but the MSTVT had no functioning MIS when the IDA credit closed, despite the importance placed on this in the appraisal document.

• Capacity building activities, incorporated in every component (and often duplicated across components) were not well documented. Without an overarching plan, these activities appeared often to have been ad hoc and supply-driven.

**Box 3-1. Implementation of the TEVET Fund**

From 2006 to 2008, the Fund received 552 proposals from government and non-government TIs in response to its information dissemination and advertisements, of which 129 were approved, with total contract value of ZK 20,380 million (US$ equivalent approx. 4 million). Disbursements stood at ZK 14,757 at the end of 2008. The value of the approved contracts was distributed between four windows as follows:

**Window 1: 45%**
To finance pre-employment training, mainly of school-leavers, in formal training institutions.

**Window 2: 10%**
To subsidize in-service training in formal sector firms (proposed to be pilot-tested with external funds for scaling up when funds provided through the proposed private sector levy).

**Window 3: 22%**
To subsidize training for Small and Medium Enterprises (SMEs) and the informal sector.

**Window 4: 23%** (of which 80% was for infrastructure)
To support the investment needs of TIs (civil works, equipment, and staff development).

MSTVT TIs were awarded about 60 percent of the total contracts value, two thirds of Window 1 for pre-employment training, and almost all of Window 4 for investment needs. The high percentage for MSTVT TIs in contracts for pre-employment was explained by the shortage of competition from private sector providers in the identified priority fields (such as power electrical, mechanical fitting and sheet metalwork) especially at technician and technologist level.

*Sources: TEVETA data; and Evaluation of the TEVET Fund, TEVETA, 2009*

3.10 By the end of 2008, disbursements by the main cooperating partners amounted to 97 percent for IDA, 40 percent for the Netherlands and 53 percent for DANIDA of the respective commitments at appraisal (Table A-3). The breakdown of expenditures by category or component is not available for the TDP as a whole. For IDA, comparing the appraisal estimates with actual expenditures by component (Table A-1), more funds than estimated were applied to MSTVT-related components and less to TEVETA: expenditure on infrastructure and equipment (through MSTVT procedures), at US$8.28m., was more than three times the original estimate; actual costs on the TEVET financing system and training systems together amounted to US$6.7m., only 63 percent of the appraisal estimate. Similarly, IDA actual disbursements by category (Table A-3) greatly exceeded the appraisal estimates for goods and for operating costs, and fell far short on the category for training grants. Essentially, with the delay until 2006 in operation of the TEVET Fund, the bulk of IDA resources was administered through the traditional, centralized, supply-driven procedures instead of through TEVETA and the TEVET Fund.
3.11 Government financing to the TDP (Table A-5) was some 40 percent below the committed level until 2007 and 2008 (although above the very conservative estimate at project appraisal). At closing of the credit, the government had agreed to pick up on financing of the TEVET Fund until a sustainable alternative was in place to secure contributions from the private sector. But the concept of a payroll levy was still not considered workable and there were no concrete plans as to what the sustainable alternative would be or how to develop it.

**Developments since Closing of the Credit**

3.12 The PPAR mission in January 2011 reviewed developments in the sector in the two years since closing of the Credit. From available documents and interviews with stakeholders, it appeared that the 1996 sector policy and related legislation had not been consolidated in practice and that the issue of financial sustainability had still to be addressed.

3.13 From the perspective of some stakeholders, the disengagement of the Bank at the end of 2008 was unduly abrupt, with no follow up on still unresolved policy and financing issues. The role of MSTVT and the status of the MSTVT TIs remained ambiguous and contentious, while the uncertainty of funding continued to impede planning and management of the TEVET Fund. It was suggested that a terminal review, involving all stakeholders and higher levels of government, might have helped to clarify the outstanding issues and identify options on the way forward.

3.14 After the IDA Credit closed, operations of the TEVET Fund wound down. The Netherlands extended its financing for a further six months, enabling some TEVET Fund plans and commitments to be followed through. Still, there were instances where TIs had been left without funding for the second year of a training program or instructors were unable to complete their professional development courses. Most significantly, MSTVT had declined to channel any funds from the government budget for TEVET through the TEVET Fund, despite the agreement at closing of the IDA credit, and instead reverted to its own budgets for each of the MSTVT TIs: TEVETA’s role in TEVET financing had been reduced to that of a “post office,” disbursing subsidies to the MSTVT TIs on the instructions of the MSTVT. Without any funds, the TEVET Fund was no longer operating and TEVETA had had to let go the expert technical and financial staff who had managed it.

3.15 Within MSTVT, due to staff turnover, relatively few current officials had been closely involved in TDP implementation. From the perspective of MSTVT staff, the main benefits of TDP were seen to be in the quality of training through provision of badly needed equipment and rehabilitation of TIs (although the opinion was expressed that it was a mistake to have included non-government training providers in this program). The ministry continued to play a hands-on role in managing and regulating its TIs, regulating the fees they can charge to students, procuring goods and providing maintenance services, for example, as well as budgeting their annual public subsidy and allocating bursaries.

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6 Strictly speaking, these are ex-MSTVT TIs, governed by their own management boards, but they are still commonly referred to as MSTVT institutions.
3.16 The 23 MSTVT TIs appeared to be in limbo, having lost the security of government protection and civil service status without yet gaining the potential benefits of real autonomy. Their management boards were reportedly not playing a significant role in most cases, unclear when they could make decisions and when the ministry had to be consulted. They were struggling with financing, depending primarily on student fees to meet training costs and lacking funds for maintenance and capital expenses. The heads of TIs were divided on the solution. Some argued for reverting to their original MSTVT status while others wanted to see the policy fully implemented to allow a level playing field for all training providers, passing control to TI management boards and TEVETA.

3.17 The TEVET quality assurance system embarked on through TDP had been sustained and further developed. Although TEVETA’s operations were constrained by shortage of funding, it was continuing with a staff of 40 to provide and develop its regulatory and support services to all training providers, and to facilitate linkages between TIs and employers. The TEVET Qualifications Framework was launched in 2010 as well as a new Learnership Scheme whereby trainees or employees can gain recognized qualifications through a combination of theoretical training in TIs and work experience. The TEVETA Board was considered to be strong, providing a forum for collaboration across government ministries with direct interest in the training sector as well as industry.

4. Achievement of Objectives

Efficacy

4.1 The achievements considered here are those of the TDP as a whole, in line with the appraisal document and M&E framework which incorporates the contributions of the government and four external partners (IDA, the Netherlands, Danida and GTZ) in a common agreed program with shared objectives.7

OBJECTIVE 1: CREATE A HIGH QUALITY TRAINING SYSTEM (Substantial)

4.2 To achieve this objective, the TDP aimed to upgrade facilities and equipment in public and private TIs, and to support TEVETA’s quality assurance functions, including curriculum development, inspection and examinations.

4.3 Rehabilitation of physical infrastructure and the provision of training equipment and materials were badly needed, following a period of serious underfunding of TIs, and the program provided these for some 40 TIs. From interviews with 15 TIs, the TDP Terminal Evaluation Report found very positive opinions concerning the benefits of this program for the quality of training; and this view was expressed also to the PPAR mission. However, shortcomings in needs assessment, specifications, and supervision of works were documented in mission reports and also reported to the PPAR mission: in some cases the

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7 The PPAR mission found different perceptions among stakeholders concerning what exactly constituted the TDP. In some cases, the TDP was referred to as the program with IDA and Netherlands, administered by MSTVT, excluding the programs of DANIDA and GTZ which worked directly with TEVETA or individual training institutions.
equipment delivered was found to be unused because it was inappropriate or lacked essential parts, while the quality of tools was found to be substandard; some civil works projects also failed to meet the required standards or were left incomplete.

4.4 Most significant from the point of view of the system as a whole, the quality assurance system introduced standards and incentives for continuing improvement in the quality of training in all TIs, through inspection and registration of institutions, certification of instructors, curriculum development and examination procedures. The high targets (>90 percent) set at appraisal for annual inspection and registration of TIs were almost met. TDP performance indicators tracked the migration of TIs between grades 1, 2 and 3 under TEVETA’s inspection and registration process and found a positive trend. More than 80 curricula were reviewed and revised by TEVETA with input from industry and concerned ministries, backed by guidelines for competency-based modular training. A basis was established for improving teaching standards, through the TI registration requirement for certification of instructors. This was backed by finance through the TEVET Fund that enabled more than 100 TI staff to complete the required qualification in modern teaching methodology. This training was reported by recipients (in PPAR mission interviews) to be highly useful but, once again, a systematic assessment of effectiveness was not available.

4.5 Overall, efficacy is rated Substantial on this objective, on the grounds that the new quality assurance system and curriculum procedures can be expected – from experience elsewhere – to lead to improvements over time in the quality of training across all types of TIs. Although a great deal remains to be done, the systems and procedures introduced through TEVETA are important achievements and constitute an essential basis for a high quality system.

OBJECTIVE 2: CREATE A SUSTAINABLE TRAINING SYSTEM (Negligible)

4.6 The TDP aimed to achieve this objective through establishment of the TEVET Fund, to channel resources of the government, employers and donors; improving the attitude of employers to contributing financially to TEVET; and increasing total resources to the sector by maintaining the level of government funding and increasing funding from employers and trainees.

4.7 On this objective, none of the relevant output or outcome indicators was met. Only the trainees increased their contribution to training, through higher fees in the MSTVT TIs, but comprehensive data on fees were not available. The government contribution declined (to about half the agreed share of public expenditure) until 2007; this was increased at the end of TDP, to compensate partially for external assistance, but these government funds were not

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8 As evidence of the achievement of TDP on its quality objective, the ICR cites the results of the 2008 tracer study, which attempted to gauge the satisfaction of employers with the quality of 2004-2006 graduates of the system. However, many of the TDP interventions had not started or were only just getting under way when these students graduated. On the basis of this study, the relevant TDP key performance indicator – “60 percent of industries surveyed annually express satisfaction with quality of human resources produced” – was surpassed: 98 percent of employers found training to be relevant (this compared with 95 percent from a similar study conducted in 2004) and 81percent were satisfied with the quality of training. However, aside from the problem of timing, the information is of doubtful value due to methodological weaknesses of the study.
channeled through the TEVET Fund which therefore ceased operation. Plans for the payroll levy to help finance the TEVET Fund were not pursued and no alternative mechanism was introduced for private sector contributions to sector financing. Despite successful piloting on a small scale of the in-service training window of the TEVET Fund, there is no indication that the attitudes of the private sector improved with respect to funding TEVET (a DCA indicator that was not tracked in implementation reports).

4.8 As of 2010, external assistance to the sector had withdrawn from MSTVT and TEVETA and was confined to small programs with individual TIs or industries. There appeared to be limited national-level understanding of the TEVET reform strategy supported by TDP and no consensus on the best way forward.

4.9 Efficacy on this objective is therefore rated Negligible.

OBJECTIVE 3: CREATE A DEMAND-DRIVEN TRAINING SYSTEM (Modest)

4.10 The TDP aimed to achieve this objective through (i) involving the private sector in TEVETA management and operations; (ii) developing capacity in MSTVT for labor market information management and strategic planning for skills development; and (iii) the autonomy of government-owned TIs under local management boards, in competition with other TIs for training funds. It succeeded only in the first of these. From the PAD, it also aimed to raise the fees from trainees to at least 50 percent of the recurrent income in at least 50 percent of formal TIs, but this indicator does not appear to have been tracked and relevant data on student fees were not reported at TDP closing.

4.11 The TEVETA Board, with non-government majority, has been chaired by a representative of the private sector; TEVETA worked through private sector networks in various functions, including developing the qualifications framework; industry practitioners were incorporated in teams to define occupational standards and review curricula; and technical assistance of TEVETA helped develop linkages between individual TIs and employers for trainee work experience. These are important achievements that have proved difficult to secure in other similar projects. However, no progress was made through TDP in developing mechanisms for private sector financial contribution to training, through a payroll levy or other means. The proposed activities for labor market information management were not implemented and the intended National Skills Development Plan was not produced. Management Boards of MSTVT TIs were appointed, with some delay, and included local private sector representatives, but it seems that in most cases their engagement was not strong because, in practice, the Boards lacked independence beyond routine decisions. A competitive, demand-driven Training Fund, with its technical evaluation committee chaired by a private sector representative, was successfully piloted on a limited scale with donor resources, but not sustained when this funding closed.

4.12 In the TDP results framework, achievement of this objective was to be measured by employment rates, and speed of finding employment, of recent graduates as measured by tracer studies. By this measure, targets were close to being met: the 2008 tracer study reported that 55 percent of 2004-2006 TEVET graduates found employment within six months of graduation and 90 percent within a year (although this was a slight deterioration
from results of a similar study in 2004). A more specific and potentially more useful indicator in the DCA and PAD -- “employability of TEVET graduates is better than a control group of similar non-trainees” -- was not tracked in implementation or completion reports. These indicators neglected the important question of whether the employed graduates were working in a field related to their training: the tracer study reported that this was the case for only 51 percent of males and 37 percent of females. But it is doubtful in any case that any trends in graduate employment up to 2008 could be attributed directly to the TDP, considering the late timing of TDP interventions and the role of other factors, such as the relatively strong growth of the economy during the period of program implementation.

4.13 Efficacy on this objective is therefore rated Modest, on the basis of relevant improvements in the system and not on employment results. The TDP made a good start in increasing the influence of employer demand in the training system, through the role of employers and the private sector in TEVETA management and operations, but it failed to implement other crucial reforms.

**OBJECTIVE 4: CREATE AN EQUITABLE TRAINING SYSTEM (Modest)**

4.14 The TDP aimed to achieve this objective through the provision of bursaries to the most vulnerable students, and through the development of national TEVET policies for gender and HIV/AIDS.

4.15 The available evidence does not indicate that the TDP had more than a modest impact on equity of the TEVET system. Data were not available on the relevant outcome indicator – “share of TEVET graduates from socio-economically disadvantaged groups increase by 10 percent” – which was intended to be measured through the tracer study. Instead, this was measured by the share of students allocated government bursaries (reported to reach 25 percent of students in MSTVT TIs in 2005) and, on this measure, the target was exceeded. However, this is not a strong indicator of overall equity of the system, considering that (i) under the TDP, the MSTVT TIs increased student fees; (ii) an assessment was not available of the targeting efficiency of bursaries to students in ministry-affiliated TIs and stakeholders have expressed skepticism; (iii) some 60 percent of the population of Zambia was defined as below the poverty line; and (iv) the grade 12 graduates proposing themselves for selection into MSTVT TIs and aiming for formal sector employment were thought rarely to be among the most disadvantaged (although drop-out due to inability to pay the fees was found to be a fairly common problem).

4.16 Improving equity of the system would have required specific efforts to strengthen skills for the informal sector, which accounted for almost 90 percent of employment. Despite its short period of operation, the TEVET Fund did make a start here, through its window for financing training for SMEs and the informal sector (aside from its graduated subsidies to students in identified priority formal programs). The Fund financed short courses targeting economically marginalized groups, integrating core skills with entrepreneurship and business

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9 For example, the TDP Terminal Evaluation Report, from interviews with 15 TIs, found particularly negative opinions concerning TDP performance on its equity objective and admissions that the most vulnerable students were not necessarily prioritized in the allocation of bursaries.
skills development. It also worked through intermediaries, such as the Chamber of Small and Medium Business Associations for needs analysis, and financed training through informal providers to meet identified gaps. On anecdotal evidence, these programs were highly appreciated by the participants; and at least one successful program was picked up by other donors and the SMEs themselves when the TEVET Fund pulled out. The 2009 Evaluation of the TEVET Fund found that subsidization of pre-employment training fees through the Fund led to a substantial reduction in drop-out of trainees (during the short period of the Fund’s operation). However, these initiatives were not followed up or institutionalized due to closure of the TEVET Fund when the TDP ended.

4.17 The outcome indicator on gender balance had an unrealistic target of 25 percent increase in the share of female TEVET graduates, which was unsurprisingly not met. The overall proportion of female graduates remained around 40 percent, which is relatively high for TEVET systems. No baseline was available for the objective of increasing the share of females in traditionally male-dominated disciplines such as engineering – the share was reported at 12 percent for 2006 and 2008. Bursaries and awareness campaigns are reported to have been used by MSTVT to encourage female participation in these fields. A disability policy was developed and disseminated in 2007, at which time the share of TEVET graduates with disabilities was reported to be one percent. The TDP financed extensive activities related to HIV/AIDS awareness, including the participation of more than a thousand people from 230 TIs in several workshops, a peer educator program, and development of curriculum modules and materials. However, evidence was not available on the effectiveness of TDP activities related to disability and HIV/AIDS.

4.18 Overall, efficacy on this objective is therefore rated Modest.

**OBJECTIVE 5: CREATE A TRAINING SYSTEM CAPABLE OF IMPROVING SKILLS FOR BOTH THE FORMAL AND INFORMAL SECTORS OF THE ECONOMY (Modest).**

4.19 As a result of the TDP, Zambia’s TEVET system has developed increased potential in some areas to improve skills for the formal and informal sector, but realizing this potential would depend on resolving outstanding institutional, policy and financing issues to fully implement the 1998 sector policy. A strong professional team was developed in TEVETA, with procedures instituted for (i) registration, accreditation, inspection, certification of instructors, design and review of curricula, and examinations; (ii) working through private and public sector networks and facilitating TI-employer linkages for both formal and informal sectors; and (iii) providing advisory and support services to TIs and financing demand-led training through a competitive TEVET Fund for both formal and informal sectors. However, other essential reforms were not implemented. The autonomous status of TEVETA and the MSTVT TIs was not fully secured. Essential central government functions were not developed. The TEVET Fund was not sustained and the system lacked a viable financing strategy when the TDP ended.

4.20 The only program indicator relevant specifically to the informal sector – “60 percent of a sample of clients of self-employed graduates are satisfied with goods/services” – did not have a baseline and was not followed up in program reporting. The 2008 tracer study found that 97 percent of employed graduates were in the formal sector (although the
representativeness of the sample is in doubt). Program outputs related to the informal sector were achieved primarily through TEVETA which developed entrepreneurship curricula for all TIs and, most significantly, through the TEVET Fund which financed training oriented to the informal sector. With the demise of the TEVET Fund at the end of TDP, due to absence of sustainable financing, the capacity of the system to improve skills in the informal sector does not appear to have been substantially improved.

4.21 Capacity building activities were carried out at all levels of the system but were not well documented and no assessment of effectiveness is available. Capacity constraints continue to be very significant, especially in monitoring and information management for national policy development and in planning and financial management at the TI level. Most of the planned activities for information management and policy development by MSTVT, including a National Skills Development Plan, were not carried out during TDP.

4.22 Efficacy on this objective is therefore rated Modest.

5. Ratings

Relevance of Objectives

5.1 The TDP objectives were highly relevant to Zambia’s economic and social needs at the time of appraisal and remained relevant at closure. The shortage of appropriate skills in the Zambian labor force, due to poor quality and rigidity of the existing education and training system, had been identified as an important constraint to national development. Improving skills continued to be seen as critical for the more recently defined development priorities of economic diversification through improvement in productivity and competitiveness in new sectors, and of inclusive growth which depends on raising productivity and incomes in the informal sector. To address the shortfall in skills, a case could have been made for an alternative approach within the education and training sector – such as addressing the deficiencies in quantity and quality of general secondary education -- but the priorities and linkages within the education and training sectors were not explicitly considered in the project rationale. Nevertheless, there was a clear and pressing need to improve the relevance, efficiency and financing of TVET institutions. Support to TVET was included in the World Bank’s Country Assistance Strategy (CAS) for 1999-2003, incorporated in its first strategic pillar of Removing Constraints to Sustainable, Diversified Growth.10 Although the Bank is no longer allocating IDA lending resources to the social sectors, the 2008-11 CAS highlights the need to address human resource constraints and proposes analytical work related to strategies for post-basic education and its relation to TVET.

10 August 1999 CAS text: “Knowledge and Innovation. Given Zambia’s need to diversify and compete on world markets in areas other than basic commodity exports, capacity building and knowledge generation are central to its growth prospects. This and the changing structure of Zambia’s formal employment sector, following retrenchments in mining and public service sectors, have lent increased importance to investing in people to produce a workforce that has the capacity to acquire new skills. With others, IDA is helping to prepare a Training Subsector Investment Program which will focus on the cost effective provision of new skills, including for retrenched workers. It will involve intensive collaboration with the private sector in its design and implementation.”
5.2 Although the stated objectives were highly relevant, the expected outcomes were excessively ambitious in relation to the available time, resources and country capacity. Considering the institutional challenges and the incentives required in shifting TVET from supply to demand orientation, involving changes in the expectations and behavior of public and private sector stakeholders, as well as the time needed to achieve demonstrated improvements in graduate outcomes throughout a reformed TVET system, it was unrealistic to expect to achieve the program objectives within five years or within the TDP budget.

5.3 Overall, relevance of objectives is **Substantial**.

Relevance of Program Design

5.4 The rationale for achieving objectives was mostly sound, based on three fundamental governance and financing reforms: (i) giving the publicly-owned TIs financial and managerial autonomy, under local management boards with private sector representation, thereby introducing the means and incentives for them to improve efficiency and respond to local demand; (ii) establishing an independent training authority (TEVETA), representing a broad range of public, private and civil society stakeholders and with non-government majority on the board, responsible for regulation and quality assurance across the training sector, covering public and private providers, and the formal and informal sectors; and (iii) establishing an autonomous training fund (TEVET Fund) under the jurisdiction of TEVETA, to finance training of all kinds – including in-service training and training for the informal sector – on a competitive, demand-driven basis. Together, these measures could improve quality of the system (through the regulatory and support functions of TEVETA), increase the influence of demand in training provision (through TI management boards, TEVETA functions, and the TEVET Fund) and equity (through the TEVET Fund by financing training for the informal sector and subsidizing vulnerable students).

5.5 Program design was less sound on the objective of making the system sustainable. Financial sustainability was to be achieved by diversifying funding sources through cost recovery and through private sector contributions to the TEVET Fund. However, while cost recovery would theoretically enable public and private TIs to compete on a level basis, it would need to be balanced in large part by subsidies to the students who could not afford fees. The proposal to introduce a payroll levy to finance the TEVET Fund was tentative at the time of appraisal, lacking clear support from either government or the private sector. It was not ideally suited to conditions in Zambia: from experience in other countries, it has worked best for in-service training and has tended to be of less benefit to smaller companies or the informal sector.

5.6 TDP design was not well adapted to prevailing country conditions in other respects as well. Much stronger capacity would have been needed, in overall public sector management and in the responsible ministry, to justify the ambition and comprehensive scope of the program or the attempt to work through a sector-wide approach. Having nine separate components, the program took on nationwide implementation of major governance reforms at all levels of the system with insufficient attention to piloting and phasing and with conservative estimates of the required time and resources. Insufficient thought was given to the possible need for piloting of TI autonomy in selected institutions and/or of industry
involvement in selected sectors, to better define the requirements, to test mechanisms for employer involvement, and to ascertain and demonstrate the potential benefits – especially considering the weak public sector context and the lack of experience or trust in public-private partnerships.

5.7 The relevance of program design is therefore **Modest**.

**Efficiency**

5.8 No estimate is available of the Economic Rate of Return (ERR) to the program’s investments and efficiency cannot be assessed on this basis. The PAD estimates an ERR of 17 percent for the Bank’s contribution to the program, based on expectations of increased cost effectiveness of the TEVET system through raising graduate employment rates, reducing costs, enhancing competition and increasing private contributions. However, the program did not generate relevant data and it is not possible to validate the estimates or clarify the assumptions. The relevant planned activities under the program component for TEVET information systems – the development and monitoring of internal and external efficiency indicators for the sector, as well as studies on the costs and cost effectiveness of training – were not accomplished.

5.9 Cost effectiveness in delivering the project or program outputs was also not addressed in project documents at completion. Assessing efficiency on this basis is constrained by lack of relevant monitoring outputs but several factors point to weak overall efficiency: long delays in executing program activities, such that many planned activities were not accomplished even with a two-year extension of the credit; wastage in the provision of training equipment and machinery, some of which was found to be unused, unusable, or of poor quality; inadequate supervision of civil works, leading to delay and substandard quality or incomplete projects in some cases. Some wastage was also reported in capacity building activities that were not sufficiently responsive to specific needs in different institutions.

5.10 One of the intentions of introducing a demand-driven training fund that would allocate resources on a competitive basis was to promote more efficient use of training resources. However, delay in setting up the TEVET Fund – until the last two years of the seven-year implementation period – resulted in the majority of IDA resources (and overall TDP resources) being expended through the traditional centralized approach instead of, as planned, through the new Fund.

5.11 Efficiency is therefore rated **Modest**.

**Outcome**

5.12 The overall outcome rating of **Moderately Unsatisfactory** is based on the above discussion of the relevance of objectives, and on the efficacy (Section 4) and efficiency in achieving the objectives. Although the TDP objectives were substantially relevant, efficacy and efficiency were modest.
5.13 The most significant positive outcomes of the TDP – development of systems for quality assurance through inspection, registration, accreditation and certification procedures covering public and private TIs, the involvement of industry in review of curricula, and successful piloting of a demand-driven fund for financing training in both formal and informal sectors – were achieved through TEVETA. The capacity and on-going practices developed in TEVETA provided an essential basis for improving skills across formal and informal sectors. However, this was not sufficient for an effective TEVET system without a supporting institutional framework and sustainable funding through a financing system that ensured appropriate incentives for demand-responsiveness. The TDP was unsuccessful in core elements of the program. In particular, it failed to consolidate (i) autonomy of TEVETA and the MSTVT TIs, (ii) the role and capacity of central government in strategic policy, monitoring, and information management, or (iii) sustainable funding for training in the informal as well as formal sector through a demand-driven fund. The intended new system was thus only very partially developed.

Risk to Development Outcome

5.14 Risk to development outcome is **Substantial.** At closing of the credit, there was no clear strategy for resolving the continuing tensions on governance and finance issues – concerning the status of MSTVT TIs and the appropriateness of channeling public funds through the TEVET Fund – or for securing financial sustainability. The official TEVET policy is only partially followed in practice.

5.15 Financial support to the TEVET system in Zambia is extremely constrained. External partners have pulled out of the sector, including IDA whose program no longer includes lending for education or training. Despite government assurance at closing of the credit, government funding for TEVET has not been channeled through the TEVET Fund. Two years after closing of the IDA credit, no mechanism has been developed to promote private sector contributions to funding. The TEVET Fund, which was intended to be financed in part by the private sector, and which was successfully piloted with external funds under TDP, is no longer in operation and expert staff had to be laid off. More positively, TEVETA is continuing to provide and further develop its regulatory and support services, although constrained by shortage and uncertainty of funding.

Bank Performance

QUALITY AT ENTRY

5.16 The Bank team brought strong sector expertise to the design of TDP, ensuring Zambian stakeholders benefited from knowledge of international experience. The rationale for the proposed reforms was sound and consistent with relevant international practice, devolving management functions to multi-stakeholder, employer-led bodies (TEVETA, the TEVET Fund, and the management boards of TIs) in order to make training more responsive to employment needs. Program design (discussed in paragraph 2.11, page 8) incorporated a comprehensive range of “good practice” measures, encompassing public and private training providers for the formal and informal sectors and addressing poverty and social issues. However, this assessment finds significant shortcomings. In summary: the political economy
challenges of shifting the system from supply- to demand-orientation were underestimated; the risks were underestimated; and the time and resources required to accomplish the objectives were underestimated; the institutional framework for implementation was inappropriate; and the program was not ready for implementation at approval of the credit.

5.17 Although some of the risks were accurately identified, they were greatly underestimated and mitigating measures were inadequate. A very significant risk area, evident from experience in similar projects, was neglected: continuity in government commitment, including the responsible line ministry, to devolving control and resources to non-government bodies and, in particular, to channeling sector resources through an autonomous training fund. This risk could have been anticipated and mitigated through greater attention to broadening ownership – and roles in implementation – across relevant government ministries and other stakeholder agencies. In particular, the risk would have been reduced by ensuring readiness for implementation – including detailed agreement and legislation -- of the TEVET Fund, which was a crucial pillar of the new system, intended as the primary channel for public, private and donor resources to the sector. Instead, the program was to begin with large scale procurement by MSTVT – contrary to the new institutional roles. Agreement had not been reached on the strategy for financial sustainability, which tentatively involved a payroll levy to secure contributions from the private sector. Program design should have taken more account of the political economy factors in implementing the proposed reforms, and the incentives and disincentives facing different stakeholders.

5.18 In addition, the centralized institutional framework adopted for implementation, putting full management responsibility in the hands of MSTVT (for IDA and Netherlands funds), ran counter to the sector policy of devolving implementation authority to TEVETA and the training institutions. The nine program components were confusing and duplicative: each component combined relevant activities to be implemented by MSTVT, TEVETA and the TIs, thus obscuring the respective implementation roles and responsibilities. Despite TEVETA’s clear role as an independent legal entity in the sector, its separate accountabilities were not distinguished even in the structure of components, much less through a separate implementation agreement. Instead, a temporary Program Coordination Office was created at the Bank’s instigation, with the objective of ensuring coordination across the different agencies involved in implementation. This was contrary to the principle of working through mainstream structures in a Sector-Wide Approach; it could also have been expected to add to confusion rather than clarify who was accountable for what in implementation of the program.

5.19 The risk of inadequate skills and implementing capacity was correctly identified at appraisal but the mitigating measures – TA and capacity building – were insufficient. Although program design recognized the need to building human resources in the TEVET sector, a comprehensive capacity building plan was not developed and the immediate need for financial management capacity in the newly autonomous TIs was not specifically identified. The risk of inadequate funding for such an ambitious program should also have been considered. Thought was needed to prioritizing, reducing and phasing the extremely comprehensive scope of proposed activities. The activities needed anyway to be sequenced more carefully: for example, giving priority to building capacity in TEVETA and the TIs in
managing their new functions, and to establishing indicator baselines and monitoring procedures and capacity in MSTVT; and postponing large scale procurement of equipment and materials for TIs until curricula had been reviewed and needs of individual TIs thoroughly assessed and prioritized, based on their own plans. Piloting could have been considered, in selected TIs and/or industrial sectors, before attempting to implement the full package of reforms on a nationwide basis.

5.20 Considering also some shortcomings in the results framework (under M&E below) and the lack of baseline data at appraisal, Bank performance on quality at entry was *Moderately Unsatisfactory*.

**QUALITY AT SUPERVISION**

5.21 Bank performance on supervision was variable and *Moderately Unsatisfactory* overall. The team collaborated effectively with the co-financing partners throughout implementation, meeting jointly with government and implementing partners, collaborating on joint communiqués and on the major joint review in 2003. Although supervision was hindered by political turnover, the response to early problems and delays could have been more proactive with respect to clarifying implementation roles and accountabilities and establishment of the TEVET Fund. Mission reports and interviews indicate an intensive period of supervision from the stage of the Joint Review. The team was strengthened with additional resources, extensive field visits were carried out, reporting was candid and issues were strenuously followed up. However, the crucial issue of the private sector levy or alternative mechanism for financial sustainability was still relatively neglected, as was M&E. At closing of the credit, reporting was superficial and less candid. Considering the uncertainties and challenges facing the sector at that stage, consideration might have been given to a major terminal review to help identify lessons and options for the future.

5.22 Bank Performance overall was *Moderately Unsatisfactory*.

**Borrower Performance**

5.23 Government performance was satisfactory in preparation but unsatisfactory during implementation, leading to an overall moderately unsatisfactory performance. The TDP was preceded by substantial work on policy development and legislation. Commitment to the proposed reforms was quite strong during TDP preparation. However, this commitment was not sustained in practice in implementation through the frequent turnover in MSTVT leadership. Amendment to the TEVET Act – to allow establishment of the TEVET Fund – was seriously delayed. Resources allocated to the program were insufficient to ensure successful implementation: the program aimed at maintaining the share of discretionary government spending allocated to TEVET at 0.8 percent from 2002 but this target was not reached until 2007. After closing of external assistance, public resources for training were not applied as agreed through the TEVET Fund which therefore closed.

5.24 Performance was unsatisfactory of the implementing agency, MSTVT, and of its Program Coordinating Office (PCO), which failed to facilitate the transfer of functions to TEVETA and the TIs. Although the functions formally assigned to the PCO were confined to
TDP coordination, procurement, FM and reporting, the PCO assumed a more dominant role (this is attributed in part to frequent changes in Minister and Permanent Secretary). Housed in a separate location from the MSTVT for the first four years, the PCO was criticized for not conferring or coordinating effectively with the responsible Ministry staff or the beneficiary training institutions. Plans, reports and procurement activities were often long delayed and the M&E function was particularly weak.

5.25 The performance of TEVETA in implementation was satisfactory, especially so considering the very large agenda it took on as a new organization over a short period of time, the constraints of uncertain funding, and the delay in clarifying relevant legislation. TEVETA developed transparent procedures and built relations with TIs and the private and informal sectors for the introduction of a comprehensive quality assurance system and piloting of the TEVET Fund.

5.26 Overall implementing agency performance and overall Borrower Performance were, therefore, *Moderately Unsatisfactory*.

**Quality of Monitoring and Evaluation**

**DESIGN**

5.27 From the DCA (Annex C), the achievement of objectives was to be measured as follows: increase in the total resources available to the TEVET sector from the government, private sector, and trainees; employers’ attitude towards contributing to TEVET; the share of courses approved by the new training authority (TEVETA); the employment rate of TEVET graduates; and increase in the share of the poor and disadvantaged among employed TEVET graduates. Indicators in the DCA differed from those in the PAD (and ICR) and, where they diverged, were not monitored in implementation.

5.28 Although a results framework was in place with indicators established for development objectives and for each component, there were a number of shortcomings:

- The theory of how inputs and outputs would produce outcomes to meet objectives was not explicitly laid out. Including explanation of the intermediate steps needed to affect outcomes could have helped M&E implementation and performance of the program. A more explicit results chain might also have made clearer the time and costs involved in reaching the higher level objectives.
- Selection and definition of some of the outcome indicators, such as the employability of graduates, needed more thought in terms of the practicality of measurement, the plausibility of producing demonstrated impacts by the time of credit closing, the question of attribution and controlling for other factors.
- Indicator baselines were missing and some targets, established before baselines were available, appeared arbitrary.
- The lack of existing M&E culture, experience or capacity warranted a simpler and clearer design of M&E, and a less ambitious component for sector information systems. The proposed TEVET MIS, incorporating labor market data, to be operated and maintained in MSTVT and 30 TI sites within two years of credit approval,
needed much more detailed preparation and phasing and strong TA. The respective roles of MSTVT, TEVETA and the TIs in information collection and management were not clarified.

**IMPLEMENTATION**

5.29 Although the program funded a dedicated M&E specialist in the PCO, M&E outputs were delayed, minimal and not of good quality. The most significant outputs were two tracer studies which had significant limitations in design and implementation, including the lack of control groups as well as sampling difficulties due to the lack of contact data in TIs. The 2008 study noted unwillingness of employers to participate, particular difficulty in tracking workers in the informal sector, and shortage of time for data collection. Some key performance indicators were not tracked during implementation, baselines for others were not established at all or not established until 2004, and there was a lack of consistency across different reports on which of the multiple indicators was included.

5.30 The program component for sector information systems was unsuccessful. Equipment and software were delivered to 14 TIs but the lack of internet connections limited their use and the central MIS was never fully operational as planned. The original plan of gathering, analyzing and disseminating data on the labor market was not incorporated, nor was the planned development and monitoring of internal and external efficiency indicators or studies on the costs and cost effectiveness of training accomplished. A database was established in MSTVT and annual statistical reports were produced for 2005 and 2006 but sector statistics were not published after that, reportedly due to malfunction of the database. It was reported to the PPAR mission that the system is now in the process of being re-designed.

**UTILIZATION**

5.31 No indication was found of the use of M&E outputs to inform decisions on program implementation or broader policy.

5.32 The overall quality of M&E is rated *Modest*.

**6. Lessons**

6.1 The experience of the Zambia TDP exemplifies the challenges in shifting the TVET system from supply- to demand-driven provision of training in a country with little experience in public-private partnerships and a large informal sector. As in many African countries and in other parts of the world, Zambia’s traditional TVET system comprised a network of centrally funded and managed institutions, staffed by civil servants, taking sixteen to eighteen-year olds straight from school into full-time (mostly boarding) vocational courses of one or three years. Typically, the high capital and recurrent costs of this type of training, combined with lack of incentives to innovate, led to progressive deterioration of buildings and equipment, the use of outdated machinery, materials, curricula and teaching methods, and scarcity of well-qualified instructors with industry experience. Such systems showed mixed to poor results in the employment and incomes of graduates. They were unable to respond flexibly to changing technology and labor market conditions, ill-suited to reaching
the informal sector or meeting in-service training needs, and was too expensive to sustain. Policy for the TVET sector has thus shifted internationally (Box 6-1) towards institutional reforms that can help orient training to employment needs and diversify both the forms of training and the sources of funding.

### Box 6-1. Evolution of TVET Policy

A policy review by the World Bank in 1991* was based on evidence of generally poor results from the projects that had financed training through traditional public systems. It emphasized that the dual goals of TVET policy should be to encourage private provision and financing and to improve the efficiency of publicly provided training. The proposed two-step strategy focused on (i) improving access and quality in general education and creating a supportive regulatory environment for human capital development and growth in employment; and (ii) the reform of TVET policies and institutions to orient the supply of training to local labor market needs and conditions.

As a result, the emphasis in assistance for the sector from the 1990s shifted to policy and institutional reforms that could allow better responsiveness of training provision to employment needs and diversify sources of funding. The menu of measures adopted has included: giving financial and managerial autonomy to publicly-owned TIs, subsidies and other incentives for private training provision, the establishment of national training authorities, autonomous training funds, private sector payroll levies, industrial sector councils, national labor market observatories, and graduate tracking systems. The measures have often proved difficult to implement, especially in low income countries and when economic growth is slow, and the evidence of impact in such cases is limited. Within Sub-Saharan Africa, Mauritius, Zimbabwe, Botswana, Namibia and Tanzania have established independent training authorities with training funds. Reforms in South Africa centered on establishment of the institutional framework for a national qualifications system and sectoral education and training authorities, financed by a training levy.


6.2 In this context, the TDP represented a brave and ambitious attempt to transform the system through a particularly comprehensive package of reforms: granting financial and managerial autonomy to publicly-owned training institutions; establishing an autonomous national training authority; and financing TVET through a competitive training fund. Where it appears to have fallen down is through taking on too much too quickly with insufficient resources or analysis of the political economy challenges. Since the planned reforms were only partially implemented (and M&E was weak), the TDP experience cannot provide much information on their impact but it does yield many lessons on the planning and implementation process.

### Political Economy Challenges

- Design of TVET reform should be based on in-depth information and analysis of the relevant strength, perceptions, interests and incentives of different stakeholder groups.
Much attention was given in TDP design to the policy and technical soundness of the vision for the new system but not enough to the implementation challenges. Change in the fundamental governance structure of TVET, which produces winners and losers, needs buy-in by multiple different stakeholders to their new roles. The design assumed that policy commitment would be sustained throughout implementation, despite indications from the outset of opposition to the plans for channeling public funds - for private as well as public training provision - through an autonomous training fund, and widespread doubts about the viability of a payroll levy to finance the fund. The natural concerns and the challenges facing central government staff and the staff of publicly owned TIs were seriously underestimated: sector ministry staff were set to pass control of sector resources and management to as yet unproven non-state agencies while assuming new and different functions themselves in policy, monitoring and information management; staff of the MSTVT–affiliated TIs faced losing the security of civil service status and were ill-equipped to take on their own financial management and planning in a competitive environment. Cooperation in implementing the changes would depend on all key groups being assured not only of the long term viability of the changes but also of sufficient financial and technical assistance to protect their immediate interests. Similarly, TDP neglected the incentives for private finance of training: the doubtful assumption at appraisal was that demonstrated improvements in the general quality and relevance of training would be sufficient to inspire willingness on the part of enterprises to contribute to the TEVET Fund through a payroll levy.

- **Before attempting nationwide implementation of radically new governance and financing arrangements in TVET, piloting should be considered and flexibility should be built into the plans.**

The experience of the TDP suggests that, when understanding of the proposed reforms is not widespread and implementing capacity is constrained, it would be better to consider piloting, learning and demonstration in selected sectors and institutions. This would provide the opportunity to clarify the requirements, refine and adapt procedures, demonstrate benefits, and enlist stakeholder support before detailed plans for scaling up. The TDP was highly unrealistic – in terms of time, resources and capacity -- in expecting to accomplish the institutional reforms and achieve nationwide improvements in the quality of TEVET graduates within a five year time frame. Considering the difficulty in predicting the course of institutional change, when the constraints and opportunities are often influenced by individual leaders or personalities, some flexibility and contingency planning should be incorporated from the outset.

- **Clear definition of respective roles and responsibilities -- for the sector as a whole and in project implementation – is crucial for successful implementation of TVET reform.**

Many of the problems experienced in TDP implementation might have been avoided through ensuring legislation to support the TEVET Fund before approval, clearer distinction of the responsibilities of MSTVT and TEVETA in appraisal documents, structuring project components to match the respective responsibilities, and underlining the autonomy of TEVETA through a separate implementation agreement for the
activities for which it was responsible. The attempt in TDP to address the coordination challenges through a Program Coordination Office was unsuccessful and counterproductive, adding to the confusion as to who exactly was responsible or accountable for what.

- **Devolving managerial authority for publicly-owned training institutions from central government to local management boards is liable to be de-railed by lack of sufficient autonomy, capacity building or financial resources.**

The new legal status of publicly-owned TIs in Zambia was introduced abruptly, prior to TDP implementation. Their staff were stripped of civil servant status but the government undertook to finance salaries for a further three years, while the new institutions established financial viability. In other respects, the transition was not well supported and, with hindsight, should have been piloted. The TIs were already in bad shape through lack of investment while their staff lacked experience or capacity in financial planning and management. Without clear autonomy, the management boards were subject to MSTVT regulation – including limits on the fees they could charge -- constraining their scope for initiative and for securing financial sustainability. As a result, the TIs were naturally resistant to the new competitive arrangements and the policy tended to be perceived more as a response to budget constraints than a whole-hearted measure to improve their capacity to provide quality services. Their evident lack of preparedness, in turn, reinforced the temptation of the parent ministry to revert to managing and supporting them through a centralized approach. A successful transition to management boards would have required more funds, effective capacity building, and enough autonomy to allow management boards to function effectively.

**TVET Financing**

- **A national training authority can provide a good base for a competitive fund channeling resources for training, so long as it is professionally managed and clearly independent from the provision of training.**

The training sector straddles three sets of public sector interests: (i) education sector strategy, in terms of coherence and pathways between general secondary education, universities, and the technical and vocational options at each level; (ii) industrial strategy, promoting productivity and national competitiveness, and (iii) labor market, employment and social protection strategy, including active labor market programs. Non-government stakeholders are heterogeneous, in terms of the governance, funding sources and interests of different types of training provider and forms of training, different industrial sectors, and firms of different size. The role played by TEVETA in Zambia illustrates the benefits of a technical, non-political, umbrella authority in management and regulation of the sector.

This type of agency, given sufficient autonomy, is well placed to (i) provide a forum for mediating the interests of all stakeholders – several different government ministries, industry, public and private TIs and trainees – to serve multiple purposes; and (ii) helping to match training to employment needs by involving employers closely through a variety of mechanisms in the design and delivery of training. The progress made in
developing the capacity of TEVETA through the TDP owed much to its strong leadership. However, the neutrality of TEVETA and its independence from training provision was questioned at times, due to the role of MSTVT as the parent ministry responsible for TEVETA but also maintaining a stake in training provision, through a hands-on role and natural allegiance to the needs of its own TIs. In the short pilot phase of the TEVET Fund, questions on its neutrality and its role beyond the public provision of training were not fully resolved. Some stakeholders perceived that MSTVT TIs were treated preferentially in Fund allocations, while others felt strongly (contrary to the official policy) that non-government providers should not be eligible for “public” funding. Training authorities elsewhere have often been placed under the wing of the ministry of labor, which may tend to minimize conflicts.

- **A competitive training fund under non-government management can be effective in addressing needs in the informal sector and the needs for in-service training (as well as formal pre-employment training) but sustainability is a major challenge.**

Piloting of the TEVET Fund in Zambia demonstrated the potential for such a fund to work with the range of stakeholder groups and develop new initiatives both for the informal sector and for in-service training in the formal sector. Given that formal sector TIs are naturally geared to the formal sector, Zambia’s TEVET Fund illustrated some mechanisms that can be used to (i) provide means and incentives for formal TIs to focus on entrepreneurship curricula; and (ii) work through NGO and informal networks to reach the informal sector. However, the Fund depended entirely on donor resources and the reluctance of government to channel any of its own resources through the TEVET Fund rendered it unsustainable.

- **The use of a payroll levy for the training sector is best-suited for finance of in-service training and is difficult to apply in low-income countries or for the informal sector.**

The experience of payroll levies to finance training in other countries indicates that such levies are usually oriented to in-service training and that smaller firms have tended to benefit less than larger ones. In Zambia, the levy was proposed to contribute to the TEVET Fund as a whole, with financing also from the government and donor agencies. In practice, the private sector was unwilling to trust the government with training funds and the government was reluctant to attempt imposing a payroll levy for the TEVET Fund. It was not considered viable to tax the formal private sector to support training for the informal sector. The four “windows” of the TEVET Fund were well designed but more attention could have been given to distinguishing sources of funding for each window. More progress might have been made with the private sector through a distinct sub-fund, under their control, to finance in-service training. Similarly, organizations (including government) focusing on social and poverty objectives could be expected to participate in a sub-fund for the informal sector. For formal pre-employment training – which needs coordination with public secondary and university education -- the TEVET Fund piloted useful approaches, including contracting of training in priority areas based
on the full costs, with graduated subsidies of fees (a legitimate public cost) for the poorest students.

**TVET M&E**

- **In the absence of an existing information culture, substantial time and resources are needed to develop sector capacity in M&E for results-based TVET policy.**

  Much more attention was needed in TDP from the outset to detailed requirements of the new role of MSTVT in sector monitoring, information management and policy development. The program set out ambitious plans for a new information system, regular sector policy updates and skills development plans, but the implications for the structure and recruitment of MSTVT staff, the TA and training requirements and the time needed were not thought through. The role of TEVETA – as the agency dealing directly with TIs – was not clearly distinguished. As a result, the proposed information system was never fully functional and the proposed M&E and policy development activities were mostly not implemented or were not implemented well. It is likely that a less ambitious design with stronger technical support and clearer specification of respective responsibilities could have produced better results. Although some aspects of data collection and management were eventually picked up by TEVETA, the core sector policy and strategic functions were neglected. The proposed National Skills Development Plan, for example, which was intended to provide a basis for prioritization in TEVET Fund allocations, was not prepared.

- **The selection of outcome indicators for a TVET reform project should focus on results that can be clearly and directly attributed to the project interventions.**

  By focusing on higher level outcome objectives, such as the employment of TEVET graduates, the TDP results framework failed to make explicit the linkages or chain between program outputs and outcomes. It would be better in many cases – when higher level outcomes cannot be expected within the time frame of the project, or the specific contribution of the project interventions cannot readily be separated from other factors – to focus on the intermediate outcomes for which the project or program can clearly be held accountable: for example, an established system for regular on-going tracking of employment and incomes of TEVET graduates, with strong analysis and dissemination of the information, would have been a good outcome of the TDP. That is, it may be more useful to focus on intermediate steps – such as creating the national capacity for on-going monitoring related to downstream objectives – than on trying to demonstrate higher level impacts within the course of one institutional reform project.

**“Sector-Wide Approach”**

- **For TVET institutional reform, the potential benefits of a SWAp may be difficult to realize unless country capacity is strong enough to support the use of country systems in a results-based framework.**

  The TDP design incorporated elements of a Sector-wide Approach, in so far as the agreed financial contributions of the government and four donors were combined in the
overall financial framework of the sector program which was jointly appraised. Shortcomings in country systems and capacity precluded a full sector-wide approach, pooling support to the sector budget, although the TDP benefited from strong donor coordination throughout design and implementation. Only two of the partners, including IDA, channeled resources jointly through the line ministry for the program as a whole, with expenditures to conform to agreed annual work plans and budgets. Other partners had separate arrangements for direct support to the training authority and/or individual training institutions. In the event, the activities funded through MSTVT were subject to bureaucratic delays in reaching agreement on plans and in procurement and implementation, as well as resistance to delegating authority. Efforts to build M&E capacity in the MSTVT were unsuccessful and the focus stayed on process, rather than results.

The problems seem to have arisen from two sources: country conditions were not fully conducive to a SWAp; and the implementation arrangements for the IDA credit and Netherlands funds were inappropriate for a SWAp and also out of line with the new sector institutional arrangements. Through separate arrangements, the direct support by Danida to TEVETA’s capacity and operations appears to have been instrumental in the positive outcomes that the TDP did achieve. The strengths of their approach, as reported by the institutions concerned, included intensive and highly flexible technical assistance and training, which was responsive to demand and based on frequent re-assessment of needs and priorities, as well as their close presence in the field.
References

Key TDP Documents


Zambia TEVET Policy, Planning and Legal Documents


Nkanza, P. 2009. *“How do we attain skills and values for vision 2030?”* Paper presented to the National Education Policy Review Consultation, TEVETA.

Country References

_____ 2006. TEVET Digest.

Sector References

## Annex A: Supplementary Tables

### Table A-1: IDA Credit Cost by Component (in USD Million Equivalent)

<table>
<thead>
<tr>
<th>Component</th>
<th>Appraisal Estimate (USD Millions)</th>
<th>Latest Estimate (USD millions)</th>
<th>Percentage of Appraisal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Overall Program Management (Incl. MSTVT Recurrent Costs)</td>
<td>3.95</td>
<td>3.84</td>
<td>97.21</td>
</tr>
<tr>
<td>2. TEVET Financing System</td>
<td>9.43</td>
<td>5.69</td>
<td>60.34</td>
</tr>
<tr>
<td>3. Organization &amp; Management of TEVET</td>
<td>0.00</td>
<td>0.71</td>
<td>-</td>
</tr>
<tr>
<td>4. Training Systems, Trade Testing &amp; Examinations (Including TEVETA Direct Costs)</td>
<td>1.30</td>
<td>0.96</td>
<td>73.84</td>
</tr>
<tr>
<td>5. Entrepreneurship Development &amp; Informal Sector Training</td>
<td>0.00</td>
<td>0.14</td>
<td>-</td>
</tr>
<tr>
<td>6. Human Resource Development</td>
<td>1.50</td>
<td>2.47</td>
<td>164.67</td>
</tr>
<tr>
<td>7. TEVET Information System</td>
<td>0.80</td>
<td>2.03</td>
<td>253.75</td>
</tr>
<tr>
<td>8. Infrastructure and Equipment</td>
<td>2.57</td>
<td>8.28</td>
<td>322.17</td>
</tr>
<tr>
<td>9. Gender, HIV/AIDS &amp; Other Cross-Cutting Issues</td>
<td>0.23</td>
<td>0.22</td>
<td>95.65</td>
</tr>
<tr>
<td>MDRI Split</td>
<td>3.83</td>
<td>3.83</td>
<td>100.00</td>
</tr>
<tr>
<td>Unallocated</td>
<td>4.60</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Refinancing of PPF</td>
<td>0.59</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Baseline Cost</strong></td>
<td><strong>28.80</strong></td>
<td><strong>28.17</strong></td>
<td><strong>97.81</strong></td>
</tr>
<tr>
<td>Physical Contingencies</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Price Contingencies</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td><strong>28.80</strong></td>
<td><strong>28.17</strong></td>
<td><strong>97.81</strong></td>
</tr>
<tr>
<td>Front-end fee PPF</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Front-end fee IBRD</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Financing Required</strong></td>
<td><strong>28.80</strong></td>
<td><strong>28.17</strong></td>
<td><strong>97.81</strong></td>
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</tbody>
</table>

Source: ICR
### Table A-2: TDP Financing

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Appraisal Estimate (USD millions)</th>
<th>Latest Estimate (USD millions)</th>
<th>Percentage of Appraisal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower</td>
<td>21.0</td>
<td>40.0</td>
<td>190.5</td>
</tr>
<tr>
<td>DANIDA</td>
<td>15.0</td>
<td>8.0</td>
<td>53.3</td>
</tr>
<tr>
<td>GTZ</td>
<td>1.5</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>IDA</td>
<td>25.0</td>
<td>24.3</td>
<td>97.2</td>
</tr>
<tr>
<td>NETHERLANDS</td>
<td>14.0</td>
<td>5.6</td>
<td>40.0</td>
</tr>
<tr>
<td>Local Sources of Borrowing Country</td>
<td>9.6</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Foreign Sources (Unidentified)</td>
<td>2.8</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Source: ICR

### Table A-3: IDA Credit Disbursements by Category, Estimated and Actual (percent)

<table>
<thead>
<tr>
<th>Category</th>
<th>Appraisal Estimates</th>
<th>Adjusted Appraisal Estimates*</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Works</td>
<td>4</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Goods</td>
<td>9</td>
<td>11</td>
<td>24</td>
</tr>
<tr>
<td>Consultant Services</td>
<td>8</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Grants for training programs</td>
<td>38</td>
<td>47</td>
<td>24</td>
</tr>
<tr>
<td>(b) Staff Development and Other Training Costs</td>
<td>8</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>(c) Bursaries</td>
<td>4</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>8</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Refinancing of PPF</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Unallocated</td>
<td>19</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

* Distributing “unallocated” category proportionately across other categories

Sources: DCA and World Bank Disbursements Database
Table A-4: Financing of the TEVET Fund (million ZK)

<table>
<thead>
<tr>
<th>BUDGET ESTIMATES</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDA</td>
<td>1,149</td>
<td>21,032</td>
<td>8,940</td>
<td>10,344</td>
<td>41,465</td>
</tr>
<tr>
<td>DANIDA</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>RNE</td>
<td>--</td>
<td>596</td>
<td>3,723</td>
<td>4,000</td>
<td>8,319</td>
</tr>
<tr>
<td>GRZ</td>
<td>--</td>
<td>--</td>
<td>3,000</td>
<td>9,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Total</td>
<td>1,149</td>
<td>21,627</td>
<td>15,663</td>
<td>23,344</td>
<td>61,784</td>
</tr>
</tbody>
</table>

ACTUAL FUNDING

| IDA              | 181  | 2,877| 3,704| 5,409| 12,170|
| DANIDA           | --   | --   | 314  | --   | 314   |
| RNE              | --   | 596  | --   | 4,562| 5,158 |
| GRZ              | --   | --   | --   | --   | --    |
| Total            | 181  | 3,473| 4,018| 9,970| 17,642|

Source: Evaluation of the TEVET Fund, Consultants’ Final Report, April 2009

Table A-5: Government Expenditure on TEVET in Zambia (million ZK)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Actual as % of budgeted</th>
<th>Actual as % of total discretionary budget*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>3,879,408</td>
<td>3,106,482</td>
<td>80</td>
<td>0.5</td>
</tr>
<tr>
<td>2003</td>
<td>6,931,510</td>
<td>4,755,054</td>
<td>69</td>
<td>0.3</td>
</tr>
<tr>
<td>2004</td>
<td>5,614,944</td>
<td>4,838,722</td>
<td>86</td>
<td>0.4</td>
</tr>
<tr>
<td>2005</td>
<td>6,945,931</td>
<td>6,394,524</td>
<td>92</td>
<td>0.4</td>
</tr>
<tr>
<td>2006</td>
<td>7,903,106</td>
<td>6,971,877</td>
<td>88</td>
<td>0.4</td>
</tr>
<tr>
<td>2007</td>
<td>9,678,320</td>
<td>8,819,746</td>
<td>91</td>
<td>0.9</td>
</tr>
</tbody>
</table>


*The undertaking at TDP appraisal in 2001 was that government expenditure would be maintained in real terms at 0.8 percent of the total discretionary budget
Table A-6: Distribution of Recurrent Expenditure on Education, Zambia and Comparator Countries, 2003/4 (percent of GDP)

<table>
<thead>
<tr>
<th></th>
<th>Uganda (actual)</th>
<th>Kenya (recurrent)</th>
<th>Lesotho (recurrent)</th>
<th>Malawi (actual)</th>
<th>Average: Uganda, Kenya, Malawi</th>
<th>Zambia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary or basic</td>
<td>2.7</td>
<td>3.6</td>
<td>3.9</td>
<td>2.8</td>
<td>3.0</td>
<td>1.8</td>
</tr>
<tr>
<td>Secondary or High</td>
<td>0.6</td>
<td>1.6</td>
<td>2.1</td>
<td>0.9</td>
<td>1.0</td>
<td>0.3</td>
</tr>
<tr>
<td>TVET</td>
<td>0.2</td>
<td>0.1</td>
<td>0.3</td>
<td>n.a.</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Tertiary</td>
<td>0.5</td>
<td>0.7</td>
<td>4.1</td>
<td>1.1</td>
<td>0.8</td>
<td>0.6</td>
</tr>
<tr>
<td>Administration</td>
<td>0.2</td>
<td>0.4</td>
<td>0.2</td>
<td>0.5</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Total</td>
<td>4.2</td>
<td>6.4</td>
<td>9.3</td>
<td>5.3</td>
<td>5.3</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Education sector’s share of:

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary budget</td>
<td>26</td>
<td>29</td>
<td>28</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Public service wage bill</td>
<td>45</td>
<td>60</td>
<td>n.a.</td>
<td>42</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26</td>
</tr>
</tbody>
</table>

Note: Excludes external aid targeted to education. Uganda received substantial General Budget Support (counted as part of its own-managed resources) but none of the other countries did in this period.
Source: Zambia Education Sector Public Expenditure Review, World Bank, 2006
n.a = not available

Table A-7: Number of Registered Training Institutions in Zambia, 2000-2009

<table>
<thead>
<tr>
<th>Ownership</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church</td>
<td>20</td>
<td>27</td>
<td>39</td>
<td>43</td>
<td>55</td>
<td>59</td>
<td>60</td>
<td>58</td>
<td>60</td>
<td>61</td>
</tr>
<tr>
<td>Community/NGO</td>
<td>29</td>
<td>29</td>
<td>36</td>
<td>38</td>
<td>20</td>
<td>20</td>
<td>22</td>
<td>27</td>
<td>29</td>
<td>27</td>
</tr>
<tr>
<td>In-Company</td>
<td>6</td>
<td>8</td>
<td>10</td>
<td>11</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>12</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Public/government</td>
<td>21</td>
<td>28</td>
<td>39</td>
<td>43</td>
<td>56</td>
<td>56</td>
<td>56</td>
<td>55</td>
<td>58</td>
<td>58</td>
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<tr>
<td>Private for profit</td>
<td>69</td>
<td>78</td>
<td>98</td>
<td>106</td>
<td>158</td>
<td>159</td>
<td>175</td>
<td>103</td>
<td>112</td>
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<td>Trust</td>
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<td>12</td>
<td>12</td>
<td>12</td>
<td>14</td>
<td>16</td>
<td>16</td>
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</tr>
<tr>
<td>Total</td>
<td>151</td>
<td>178</td>
<td>231</td>
<td>253</td>
<td>314</td>
<td>319</td>
<td>338</td>
<td>269</td>
<td>285</td>
<td>304</td>
</tr>
</tbody>
</table>

Source: TEVETA Annual Report, 2009
Table A-8: Enrolments in TVET in Registered Training Institutions, 2006

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>All registered institutions</th>
<th>MSTVT institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MALE</td>
<td>FEMALE</td>
</tr>
<tr>
<td>Agriculture and horticulture</td>
<td>732</td>
<td>229</td>
</tr>
<tr>
<td>Applied and performing arts</td>
<td>137</td>
<td>106</td>
</tr>
<tr>
<td>Business and law</td>
<td>3,443</td>
<td>3,743</td>
</tr>
<tr>
<td>Education and teacher training</td>
<td>660</td>
<td>502</td>
</tr>
<tr>
<td>Engineering and construction</td>
<td>6,442</td>
<td>911</td>
</tr>
<tr>
<td>Hospitality and social services</td>
<td>279</td>
<td>1,032</td>
</tr>
<tr>
<td>ICT</td>
<td>1,079</td>
<td>886</td>
</tr>
<tr>
<td>Media and information services</td>
<td>162</td>
<td>138</td>
</tr>
<tr>
<td>Paramedical sciences</td>
<td>548</td>
<td>372</td>
</tr>
<tr>
<td>Textile and design</td>
<td>155</td>
<td>1,008</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13,637</td>
<td>8,927</td>
</tr>
</tbody>
</table>

*Source: MSTVT, TEVET Digest, 2006*
### Table A-9: TEVET Admissions by Type of Applicant, 2006

<table>
<thead>
<tr>
<th></th>
<th>All registered institutions</th>
<th>MSTVT institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MALE</td>
<td>FEMALE</td>
</tr>
<tr>
<td>Grade 12 school leavers</td>
<td>5,877</td>
<td>3,523</td>
</tr>
<tr>
<td>Grade 9 school leavers</td>
<td>303</td>
<td>439</td>
</tr>
<tr>
<td>Mature</td>
<td>786</td>
<td>560</td>
</tr>
<tr>
<td>Other</td>
<td>2,118</td>
<td>1,516</td>
</tr>
<tr>
<td>Total</td>
<td>9,084</td>
<td>6,038</td>
</tr>
</tbody>
</table>

*Source: MSTVT, TEVET Digest, 2006*

### Table A-10: Distribution of Zambian Enterprises by Sector, 2010 (Percent)

<table>
<thead>
<tr>
<th>Sector</th>
<th>MSMEs</th>
<th>Large Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>70</td>
<td>14</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3</td>
<td>24</td>
</tr>
<tr>
<td>Retail or wholesale trade</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>Hotels, food and beverage</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>44</td>
</tr>
</tbody>
</table>

*Source: Zambia Business Survey, 2010*
Table A-11: Percentage Distribution of Currently Employed Persons Aged 15 Years and above by Industry and Education, 2005

<table>
<thead>
<tr>
<th>Industry</th>
<th>Grade 1-7</th>
<th>Grade 8-9</th>
<th>Grade 10-12</th>
<th>A Level</th>
<th>Degree</th>
<th>No. of employed</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Zambia</td>
<td>58.3</td>
<td>19.7</td>
<td>18.0</td>
<td>0.9</td>
<td>3.1</td>
<td>4,131,531</td>
<td>100</td>
</tr>
<tr>
<td>Agriculture, forestry and fisheries</td>
<td>71.5</td>
<td>18.3</td>
<td>9.4</td>
<td>0.3</td>
<td>0.5</td>
<td>2,983,968</td>
<td>72</td>
</tr>
<tr>
<td>Mining</td>
<td>15.6</td>
<td>19.0</td>
<td>44.8</td>
<td>3.7</td>
<td>16.8</td>
<td>56,227</td>
<td>1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>30.0</td>
<td>27.6</td>
<td>35.5</td>
<td>1.4</td>
<td>5.5</td>
<td>166,143</td>
<td>4</td>
</tr>
<tr>
<td>Electricity, gas and water</td>
<td>9.4</td>
<td>18.9</td>
<td>49.6</td>
<td>4.1</td>
<td>18.0</td>
<td>17,122</td>
<td>0</td>
</tr>
<tr>
<td>Construction</td>
<td>32.1</td>
<td>23.9</td>
<td>35.6</td>
<td>0.3</td>
<td>8.0</td>
<td>55,499</td>
<td>1</td>
</tr>
<tr>
<td>Trade and distribution</td>
<td>36.4</td>
<td>24.6</td>
<td>34.3</td>
<td>0.7</td>
<td>3.9</td>
<td>400,480</td>
<td>10</td>
</tr>
<tr>
<td>Hotels and restaurants</td>
<td>17.8</td>
<td>28.7</td>
<td>40.7</td>
<td>3.1</td>
<td>9.8</td>
<td>33,399</td>
<td>1</td>
</tr>
<tr>
<td>Transport and communication</td>
<td>19.4</td>
<td>26.9</td>
<td>45.0</td>
<td>1.2</td>
<td>7.5</td>
<td>88,080</td>
<td>2</td>
</tr>
<tr>
<td>Finance, insurance and real estate</td>
<td>10.0</td>
<td>14.7</td>
<td>51.3</td>
<td>6.2</td>
<td>17.9</td>
<td>40,666</td>
<td>1</td>
</tr>
<tr>
<td>Community, social and personal services</td>
<td>20.0</td>
<td>18.0</td>
<td>40.2</td>
<td>4.6</td>
<td>17.1</td>
<td>288,040</td>
<td>7</td>
</tr>
<tr>
<td>Not stated</td>
<td>100.0</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>1,907</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Labour Force Survey, Zambia CSO, 2005
Table A-12: Unemployment Rates by Age Group and Education Status, 2005 (percent)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
<th>Labor Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Zambia</td>
<td>16</td>
<td>14</td>
<td>17</td>
<td>4,918,788</td>
</tr>
<tr>
<td>15-19</td>
<td>25</td>
<td>24</td>
<td>26</td>
<td>788,850</td>
</tr>
<tr>
<td>20-24</td>
<td>22</td>
<td>21</td>
<td>24</td>
<td>863,423</td>
</tr>
<tr>
<td>25-29</td>
<td>15</td>
<td>13</td>
<td>18</td>
<td>821,838</td>
</tr>
<tr>
<td>30-34</td>
<td>13</td>
<td>11</td>
<td>15</td>
<td>628,116</td>
</tr>
<tr>
<td>35-39</td>
<td>8</td>
<td>7</td>
<td>10</td>
<td>451,667</td>
</tr>
<tr>
<td>40-44</td>
<td>9</td>
<td>8</td>
<td>10</td>
<td>351,255</td>
</tr>
<tr>
<td>45-49</td>
<td>8</td>
<td>7</td>
<td>9</td>
<td>296,673</td>
</tr>
<tr>
<td>50-54</td>
<td>10</td>
<td>8</td>
<td>12</td>
<td>210,839</td>
</tr>
<tr>
<td>55-59</td>
<td>10</td>
<td>11</td>
<td>9</td>
<td>162,977</td>
</tr>
<tr>
<td>60-64</td>
<td>12</td>
<td>11</td>
<td>14</td>
<td>120,283</td>
</tr>
<tr>
<td>65+</td>
<td>10</td>
<td>7</td>
<td>14</td>
<td>222,867</td>
</tr>
<tr>
<td>Education Level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>1,416</td>
</tr>
<tr>
<td>Grade 1-7</td>
<td>10</td>
<td>3</td>
<td>16</td>
<td>2,308,629</td>
</tr>
<tr>
<td>Grade 89</td>
<td>15</td>
<td>3</td>
<td>28</td>
<td>819,498</td>
</tr>
<tr>
<td>Grade 10-12</td>
<td>9</td>
<td>2</td>
<td>22</td>
<td>855,502</td>
</tr>
<tr>
<td>A Level</td>
<td>2</td>
<td>--</td>
<td>6</td>
<td>38,150</td>
</tr>
<tr>
<td>Degree</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>134,625</td>
</tr>
<tr>
<td>Not stated</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>760,968</td>
</tr>
</tbody>
</table>

Source: Zambia Labour Force Survey, CSO, 2005
<table>
<thead>
<tr>
<th>Table A-13: Institutional Arrangements for TDP Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legal/statutory responsibilities in the sector</strong></td>
</tr>
<tr>
<td><strong>MSTVT</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Program Coordination Office</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Component Coordinators</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>TEVETA</strong></td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Management Boards of MSTVT Training Institutions</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
### Legal/statutory responsibilities in the sector

- Hiring and training of management and staff.
- Observing TEVETA standards and regulations.

### Role in implementation of TDP components

- Management and reporting for MSTVT and TEVETA.
- Business planning and preparation of proposals to TEVET Fund for funding of training and investment needs. Financing via MSTVT (IDA and NL), initially through direct MSTVT procurement and then through TEVET Fund. Also direct TA and investment programs with other donors.

#### Registered Non-MSTVT TIs

- As above, but without MSTVT supervision.

#### Stakeholders’ Forum (SF)

- None
- Annual meetings, chaired by Minister of STVT, to evaluate progress and make recommendations on TDP implementation to PSC.

#### Program Steering Committee (PCO)

- None
- At least semi-annual meetings, chaired by PS of STVT, discuss and to approve annual TDP workplans and budgets, taking account of recommendations of SF.

#### Industry

- None at appraisal stage, pending agreement and legislation on payroll levy (or other mechanism) to finance TEVET Fund.
- Participation in TEVETA Board and SF. Input through TEVETA on curriculum development and quality assurance, and in-service training through TEVET Fund. Longer term role envisaged to include financial contribution to TEVET Fund.

*Source: drawn from information in the PAD*
### Annex B. Achievements by Program Component

<table>
<thead>
<tr>
<th>Component</th>
<th>Planned (PAD)</th>
<th>Actual</th>
</tr>
</thead>
</table>
| 1. Overall Program Management  
Planned: US$3.95  
Actual: US$3.84 | Establishment of:  
Program Steering Committee (PSC) to oversee administration  
Program Coordination Team (PCT), comprising PS of MSTVT, DG of TEVETA and a coordinator for each component, to supervise implementation  
Program Coordination Office (PCO, with Coordinator, FM, procurement and M&E specialists) to consolidate work plans, prepare reports, disburse funds and arrange procurements | The PSC was established and functioned as planned.  
The PCT and PCO were established. However, respective roles and responsibilities were duplicated or unclear and coordination was not effective. As a result, the PCO was abolished and personnel absorbed into the MSTVT in 2005.  
Annual plans and reports produced with substantial delays and some deficiencies. Major shortcomings in M&E and procurement planning. |
| 2. TEVET Financing System  
IDA  
Planned: US$9.43m.  
Actual: US$5.69m. | TEVET Fund established and operational by Sept 2002.  
Available training funds accessible to providers with good business plan  
Legislation on Training Levy passed by 2004 | The TEVET Fund was not established until 2005 and was not operational until 2006. The scale of activities was consequently less than planned (IDA disbursement only 60% of planned). Business plans were required in TI funding proposals which were competitively assessed.  
Plans for the Training Levy were not pursued. |
| 3. Organization and Management of TEVET  
IDA  
Planned: 0  
Actual: US$0.71m. | Annual stakeholder consultation through National Stakeholders Consultative Forum  
TEVET Act reviewed by 2002  
Policy Monitoring and Evaluation System in use by 2001 | NSCF meetings were held although not annually.  
Amendment of TEVET Act was passed in 2005 |
<table>
<thead>
<tr>
<th>Component</th>
<th>Planned (PAD)</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSTVT reviews sector policy every 3 years</td>
<td>Not fulfilled</td>
<td></td>
</tr>
<tr>
<td>Twinning arrangements in place</td>
<td>Not fulfilled</td>
<td></td>
</tr>
<tr>
<td><strong>4. Training Systems, Trade Testing and Examinations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planned: US$1.3m.</td>
<td>Actual: US$0.96m.</td>
<td></td>
</tr>
<tr>
<td>New assessment system developed by 2004</td>
<td>Fulfilled</td>
<td></td>
</tr>
<tr>
<td>63 course programs used by training providers revised by Dec 2002</td>
<td>Fulfilled with delay</td>
<td></td>
</tr>
<tr>
<td>Apprenticeship legal framework amended by June 2003</td>
<td>Not fulfilled. A different approach was taken subsequently – Learnership scheme</td>
<td></td>
</tr>
<tr>
<td>New trades test regulations and standards established by 2002</td>
<td>Fulfilled with delay</td>
<td></td>
</tr>
<tr>
<td>Employment-based training established by 2002</td>
<td>Partially fulfilled with delay</td>
<td></td>
</tr>
<tr>
<td>200 institutions accredited by 2002 and registered yearly (at least 90%) by 2005</td>
<td>High rates sustained but not above 90%</td>
<td></td>
</tr>
<tr>
<td><strong>5. Entrepreneurship Development and Informal Sector Training</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planned: 0</td>
<td>Actual: US$0.14m.</td>
<td></td>
</tr>
<tr>
<td>60% of registered TIs have introduced entrepreneurship</td>
<td>Fulfilled</td>
<td></td>
</tr>
<tr>
<td>A system for easily accessible market driven training delivery established by 2003</td>
<td>Don’t know what this means</td>
<td></td>
</tr>
<tr>
<td><strong>6. Human Resource Development</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planned: US$1.5m.</td>
<td>Actual: US$2.47m.</td>
<td></td>
</tr>
<tr>
<td>Staff development programs based on needs assessment carried out in at least 50% of registered institutions</td>
<td>Unknown</td>
<td></td>
</tr>
<tr>
<td>750 trainers updated and upgraded in technical courses and pedagogical skills by April 2004</td>
<td>Partially fulfilled with delay</td>
<td></td>
</tr>
<tr>
<td>Component</td>
<td>Planned (PAD)</td>
<td>Actual</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>7. TEVET Information Systems</td>
<td>Conception and design of M&amp;E system</td>
<td>Few M&amp;E outputs. 2 tracer studies (which had major limitations)</td>
</tr>
<tr>
<td>IDA</td>
<td>Planned: US$0.8m. Actual: US$2.03m.</td>
<td>Information systems in place in MSTVT, TEVETA and TIs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Equipment procured and delivered to pilot TIs and MSTVT. MSTVT database established and sector statistics published for 2005 and 2006, but has not functioned since then. TEVETA has developed database.</td>
</tr>
<tr>
<td>8. Infrastructure and Equipment</td>
<td><em>Initial phase:</em> Accelerated program to assist 40% of training providers with appropriate equipment, tools and materials – 50% supplied before month 18 and 100% by month 24.</td>
<td>Implemented with substantial delay</td>
</tr>
<tr>
<td>IDA</td>
<td><em>Main phase:</em> Physical infrastructure and equipment program on basis of business plans and proposals prepared by institutions and appraised by TEVETA</td>
<td>Implemented on smaller scale than anticipated</td>
</tr>
<tr>
<td></td>
<td>Planned: US$2.57m. Actual: US$8.28m.</td>
<td></td>
</tr>
<tr>
<td>9. Gender, HIV/AIDS and other Cross-cutting</td>
<td>Development of comprehensive workplan on HIV/AIDS; curriculum revised to reflect HIV/AIDS education; development of comprehensive strategic plan on gender; focal points on gender appointed; steering committee on gender appointed.</td>
<td>Gender strategy and HIV/AIDS and disability policies were developed and disseminated. Only a few institutions appointed focal point persons.</td>
</tr>
<tr>
<td>Issues</td>
<td>IDA</td>
<td>Planned: US$0.23m. Actual: 0.22m.</td>
</tr>
</tbody>
</table>
Annex C. Performance on Indicators in the DCA

(These indicators differ from those in the PAD and ISRs)

<table>
<thead>
<tr>
<th>Outcome/Impact Indicators</th>
<th>Performance/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total resources available for the training sector from the Borrower, the private sector and trainees increased with the Borrower’s contribution constant in real terms</td>
<td>Resources from trainees increased, through higher student fees, but data are not available. No increase from private sector. Borrower’s contribution to TEVET (as share of govt. discretionary expenditure) dropped to half the agreed target level from 2003 to 2006 but increased from 2007.</td>
</tr>
<tr>
<td>Employers’ attitude towards contributing to the TEVET improved</td>
<td>No evidence of any change.</td>
</tr>
<tr>
<td>Share of courses approved by TEVETA rises to 90%</td>
<td>Meaning of indicator unclear</td>
</tr>
<tr>
<td>Employability of TEVET graduates is better than a control group of similar non-trainees</td>
<td>Unknown: tracer studies did not include control group.</td>
</tr>
<tr>
<td>Share of poor and disadvantaged among the employed TEVET graduates increased by 10%</td>
<td>No clear definition or baseline and % unknown. There was an increase in bursaries provided to students in MSTVT institutions, helping to compensate for the increase in fees. The poor and disadvantaged were more likely to have benefited from training oriented to the informal sector, supported through TEVET Fund, but this program was short-lived.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output Indicators</th>
<th>Performance/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual reports on administration and disbursement of funds, including analysis of fund recipients by institutional type</td>
<td>Fulfilled through annual TEVETA reports on TEVET Fund for the years it was operational.</td>
</tr>
<tr>
<td>Surveys of employers to determine attitude to Fund</td>
<td>Appears not to have been fulfilled</td>
</tr>
<tr>
<td>MSTVT reviews training policy document every three years</td>
<td>Not fulfilled</td>
</tr>
<tr>
<td>Annual reports of NSCF’s meetings</td>
<td>2 reports available</td>
</tr>
<tr>
<td>The Borrower’s labor market survey conducted annually</td>
<td>CSO surveys conducted 2005 and 2010</td>
</tr>
<tr>
<td>At least 90% of training institutions inspected and registered</td>
<td>(This indicator was proposed for deletion - AM of May 2006 mission.) High rates of inspection and registration were sustained, although not above 90%.</td>
</tr>
<tr>
<td>Registered institutions accessing training funds produce annual business plans</td>
<td>Business plans were requirement for finance through TEVET Fund but program not sustained.</td>
</tr>
<tr>
<td>Staff development needs assessment carried out in at least 50% of registered institutions</td>
<td>Unclear from available documentation</td>
</tr>
<tr>
<td>Outcome/Impact Indicators</td>
<td>Performance/comments</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Staff development programs based on needs assessment on offer nationally</td>
<td>Some TI staff development financed through TDP (TEVET Fund) but program not sustained</td>
</tr>
<tr>
<td>Available training funds accessible to providers with good business plans</td>
<td>TEVET Fund financed training on competitive basis, requiring business plans, during its short period of operation.</td>
</tr>
<tr>
<td>Twinning arrangements in place</td>
<td>Not fulfilled</td>
</tr>
<tr>
<td>Regular survey of trainees conducted to assist MSTVT in policy formulation</td>
<td>Not fulfilled</td>
</tr>
<tr>
<td>Strategy developed for gender mainstreaming</td>
<td>Fulfilled</td>
</tr>
<tr>
<td>Strategy developed to counteract negative effect of HIV/AIDS on supply of skills</td>
<td>Fulfilled</td>
</tr>
<tr>
<td>Monitoring and evaluation system established and operational within MSTVT and TEVETA</td>
<td>Not fulfilled in MSTVT</td>
</tr>
<tr>
<td>Tracer studies undertaken on a regular basis</td>
<td>Tracer studies conducted in 2004 and 2007 but without control groups</td>
</tr>
<tr>
<td>Service delivery surveys of industry conducted regularly</td>
<td>Not fulfilled</td>
</tr>
<tr>
<td>Studies to examine internal efficiency of system conducted regularly</td>
<td>Not fulfilled</td>
</tr>
</tbody>
</table>
Annex D. Basic Data Sheet

**TECHNICAL EDUCATION VOCATIONAL AND ENTREPRENEURSHIP TRAINING (TEVET) DEVELOPMENT PROGRAM SUPPORT PROJECT (Cr. 3521-ZA)**

**Key Project Data (amounts in US$ million)**

<table>
<thead>
<tr>
<th></th>
<th>Appraisal estimate</th>
<th>Actual or current estimate</th>
<th>Actual as % of appraisal estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total project costs</td>
<td>94.6*</td>
<td>77.9</td>
<td>82.3</td>
</tr>
<tr>
<td>Loan amount</td>
<td>25.0</td>
<td>25.4</td>
<td>101.6</td>
</tr>
<tr>
<td>Cofinancing</td>
<td>30.5</td>
<td>13.6</td>
<td>44.6</td>
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<tr>
<td>Cancellation</td>
<td>-</td>
<td>1.2</td>
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</table>

*Including a US$5.72 m financing gap

**Cumulative Estimated and Actual Disbursements**

<table>
<thead>
<tr>
<th></th>
<th>FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisal estimate (US$M)</td>
<td>2.1</td>
<td>8.7</td>
<td>17.1</td>
<td>23.6</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
</tr>
<tr>
<td>Actual (US$M)</td>
<td>0.8</td>
<td>1.5</td>
<td>5.3</td>
<td>10.8</td>
<td>15.3</td>
<td>19.7</td>
<td>23.6</td>
<td>27.7*</td>
</tr>
<tr>
<td>Actual as % of appraisal</td>
<td>38.1</td>
<td>17.3</td>
<td>31.0</td>
<td>45.8</td>
<td>61.2</td>
<td>78.8</td>
<td>94.4</td>
<td>110.8</td>
</tr>
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</table>

*Data collected from SAP which is locked as of 02/02/2008. This explains the discrepancy between Actual Loan Amount in table Key Project Data

**Source:** Client Connection at project closing

**Project Dates**

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<tr>
<td>Concept Note Review</td>
<td>04/14/1999</td>
<td>04/14/1999</td>
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<td>Negotiations</td>
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<td>03/26/2001</td>
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<tr>
<td>Board approval</td>
<td>06/14/2001</td>
<td>06/14/2001</td>
</tr>
<tr>
<td>Signing</td>
<td>08/17/2001</td>
<td>08/17/2001</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>02/13/2002</td>
<td>02/13/2002</td>
</tr>
<tr>
<td>Closing date</td>
<td>12/30/2006</td>
<td>12/30/2008</td>
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# Staff Inputs (staff weeks)

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<th>FY00</th>
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<th>FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY10</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Preparation</td>
<td>39.67</td>
<td>19.98</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>59.65</td>
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<tr>
<td>Appraisal</td>
<td>-</td>
<td>9.19</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9.19</td>
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<tr>
<td>Negotiations</td>
<td>-</td>
<td>4.57</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>4.57</td>
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<tr>
<td>Supervision</td>
<td>-</td>
<td>-</td>
<td>36.25</td>
<td>31.35</td>
<td>31.02</td>
<td>26.50</td>
<td>29.42</td>
<td>27.09</td>
<td>30.21</td>
<td>9.30</td>
<td>221.14</td>
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<tr>
<td>Other</td>
<td>-</td>
<td>15.56*</td>
<td>6.02*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>21.58</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>39.67</strong></td>
<td><strong>49.30</strong></td>
<td><strong>42.27</strong></td>
<td><strong>31.35</strong></td>
<td><strong>31.02</strong></td>
<td><strong>26.50</strong></td>
<td><strong>29.42</strong></td>
<td><strong>27.09</strong></td>
<td><strong>30.21</strong></td>
<td><strong>9.30</strong></td>
<td><strong>316.13</strong></td>
</tr>
</tbody>
</table>

* FY01 and FY02 other: SW spent in between appraisal and negotiations and after negotiations to board approval. Project being approved in FY01, lending charges due to people charging to the wrong code.
## Bank Lending and Supervision Team

<table>
<thead>
<tr>
<th>Names</th>
<th>Title</th>
<th>Unit</th>
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<tbody>
<tr>
<td><strong>Lending</strong></td>
<td></td>
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</tr>
<tr>
<td>Paul Murphy</td>
<td>Lead Education Specialist</td>
<td>AFTH1</td>
</tr>
<tr>
<td>Amit Dar</td>
<td>Senior Economist</td>
<td>HDNSP</td>
</tr>
<tr>
<td>Clement Siamatowe</td>
<td>Social Sector Specialist</td>
<td>AFTZM</td>
</tr>
<tr>
<td>Fenwick M Chitalu</td>
<td>Financial Management Specialist</td>
<td>AFTZM</td>
</tr>
<tr>
<td>Jon Lauglo</td>
<td>Senior Education Specialist</td>
<td>AFTH4</td>
</tr>
<tr>
<td>Marilou Bradley</td>
<td>Social Assessment Specialist</td>
<td>AFTH4</td>
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<tr>
<td>Brighton Musungwa</td>
<td>Financial Management Specialist</td>
<td>AFTZM</td>
</tr>
<tr>
<td>Kym Davis</td>
<td>Logframe Specialist</td>
<td></td>
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<tr>
<td>Lindsay Falkov</td>
<td>Skills Development Specialist</td>
<td></td>
</tr>
<tr>
<td>Robert Murray</td>
<td>Institutional Devt. Specialist</td>
<td></td>
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<tr>
<td>Terry Corcoran</td>
<td>Labor Market Devt. Specialist</td>
<td></td>
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<tr>
<td>Oliver Campbell White</td>
<td>Senior Private Devt. Specialist</td>
<td>AFTP1</td>
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<tr>
<td>Bruce Jones</td>
<td>Senior Economist</td>
<td>AFTH1</td>
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<tr>
<td>Tony Hegarty</td>
<td>Financial Management Specialist</td>
<td>AFTQK</td>
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<tr>
<td>Eli Orbach</td>
<td>Institutional Capacity Analyst</td>
<td>AFTH3</td>
</tr>
<tr>
<td>Bwalya Mumba</td>
<td>Procurement Officer</td>
<td>AFTZM</td>
</tr>
<tr>
<td>Carla Bertoncino</td>
<td>HD Economist</td>
<td></td>
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<tr>
<td>Tony Quinlan</td>
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<tr>
<td><strong>Supervision</strong></td>
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<tr>
<td>Arvil Van Adams</td>
<td>Consultant</td>
<td>EASCS</td>
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<tr>
<td>Bruce Jones</td>
<td>Senior Economist</td>
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<tr>
<td>Sylvester K. Awanyo</td>
<td>Senior Procurement Specialist</td>
<td>EAPCO</td>
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<td>AFTFM</td>
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<td>Fook Yen Chong</td>
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<td>AFTH1</td>
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<tr>
<td>Wedex Ilunga</td>
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<td>Michael Mambo</td>
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<tr>
<td>Francis K. Mkandawire</td>
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<td>AFTFM</td>
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<tr>
<td>Maureen K. Mwikisa</td>
<td>Team Assistant</td>
<td>AFMZM</td>
</tr>
<tr>
<td>Rosalia Rodriguez-Garcia</td>
<td>Senior Monitoring and Evaluation Specialist</td>
<td>HDNGA</td>
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<tr>
<td>Neta Mulenga Walima</td>
<td>Program Assistant</td>
<td>AFMZM</td>
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<tr>
<td>Carlos A. Rojas</td>
<td>Senior Education Specialist</td>
<td>AFTH1</td>
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<tr>
<td>Hongyu Yang</td>
<td>Operations Officer</td>
<td>HDNED</td>
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<tr>
<td>Ana Ruth Menezes</td>
<td>Education Specialist</td>
<td></td>
</tr>
</tbody>
</table>
Annex E. Borrower’s Comments


Introduction

1. The Project Performance Assessment Report (PPAR) provides a useful insight into the design, implementation and impact of the Technical Education, Vocational and Entrepreneurship Training (TEVET) Development Programme (TDP) implemented in Zambia during the period 2002 to 2008.

Achievement of Objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>PPAR</th>
<th>TEVETA</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create a high quality Training System</td>
<td>Substantial</td>
<td>Substantial</td>
<td>The establishment of the TEVET Fund was delayed significantly. However, valuable experience was obtained by TEVETA and MSTVT on the design and operation of a transparent and accountable training fund which is responsive to the skills demands in both the formal and informal sectors.</td>
</tr>
<tr>
<td>Create a sustainable Training System</td>
<td>Negligible</td>
<td>Modest</td>
<td></td>
</tr>
<tr>
<td>Create a demand-driven Training System</td>
<td>Modest</td>
<td>Modest</td>
<td></td>
</tr>
<tr>
<td>Create an equitable training system</td>
<td>Modest</td>
<td>Modest</td>
<td></td>
</tr>
<tr>
<td>Create a Training System capable of improving skills for both the formal and informal sectors of the economy</td>
<td>Modest</td>
<td>Modest</td>
<td></td>
</tr>
</tbody>
</table>
Borrower Performance

2. The reforms of the Technical and Vocational Education and Training system in Zambia involved the dissolution of a Government Department and the disengagement of a large number of public workers. Management Boards were introduced at 21 of the 23 public training institutions under MSTVT within a very short period. The impact of these “sudden” changes may have not been fully understood because the pace of institutional reforms was not sufficiently in synchrony with changes in attitudes and perceptions of public servants.

3. Private sector training providers were not sufficiently ready or aware of the reforms and the roles that were anticipated of them.

4. The Programme Coordinating Office (PCO) was coordinated by a public service official who was part of the old system which was undergoing reform. The PCO was not adequately prepared for the coordination role which it was expected to perform.

5. Following the “Joint Review” in 2003 and the re-allocation of responsibilities for the components of the TDP, there was appreciable improvement in coordination and implementation of the programme. The Programme Coordinating Team, with the Director General of TEVETA as its Chairman, provided an improved mechanism for coordination, implementation and better definition of roles between TEVETA and MSTVT.

6. Although not all the recommendations of the “Joint Review” were fully implemented, the realignment and improved clarity of the roles of MSTVT and TEVETA (defined through the Components of the TDP) resulted in improved implementation.

7. There were frequent changes of leadership MSTVT, especially at the critical level of Permanent Secretary. Some of the implementation difficulties are attributable to these changes in leadership at MSTVT.

8. The PPAR finds that the performance of TEVETA in implementation was satisfactory. TEVETA, as the main implementing agency of MSTVT, did therefore achieve appreciable outcomes on behalf of the borrower. Further developments by TEVETA (such as the TEVET Qualifications Framework and the TEVET Learnership Scheme) have built on the results of the TDP.

9. TEVETA considers that overall Borrower Performance was Moderately Satisfactory