



## Social Protection Discussion Paper Series

### **Effectiveness of Lending for Vocational Education and Training: Lessons from World Bank Experience**

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**September 2002**

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## **Abstract**

This paper reviews the Bank involvement in the vocational education and training sub-sector in the 1990s. This paper aims to do just that by mainly seeking answers to the following questions:

- How has the Bank performed in its lending services to its clients in VET?
- How have VET projects performed in terms of meeting stated objectives?
- What factors led to the success or failure of Bank operations?

Based on what has been learned, this paper provides suggestions about how the performance of future VET interventions can be improved. This review concerns itself primarily with implementation performance and proposes measures to improve project outcomes.

# **Effectiveness of Lending for Vocational Education and Training: Lessons from World Bank Experience**

S. Canagarajah, A. Dar, R. Nording and D. Raju<sup>1</sup>

## **I. Background**

In an era of increasing global economic integration and technological change, labor needs to be provided with the means to adapt to market demands and acquire new skills. The demand for skills are widespread in most developing countries – skills are not only demanded by the modern wage sector but also by the agricultural sector and even by the informal sector. A skilled labor force is essential for increased flexibility and worker productivity in the labor market and the economy. Vocational Education and Training (VET) is considered as a direct way of providing workers with skills more relevant to the present and evolving needs of employers.

Since the 1960s, the Bank has been heavily involved in this area. From the 1960s to the 1980s, a large share of the Bank's education lending portfolio was directed towards vocational education at secondary and post secondary levels. As evident from a comprehensive review of Bank investment in VET between FY63-86 (See Annex I for a summary of main findings by Middleton and Dempsy, 1989), most loans were used to finance costly and complex vocational training systems.

Subsequently, the Bank came out with a policy paper in 1991 recommending a shift in the Bank's position on training from that of strengthening public supply of training to policy advice, institutional capacity building, and support for broad-based VET reform (see Box 1).

The policy paper paved the way for the Bank to provide assistance to governments to refocus their roles as regulating bodies which oversee the provision and financing of efficient, cost-effective, and equitable training through broad-based stakeholder participation.

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### **BOX 1: BANK'S POLICY OPTIONS IN VOCATIONAL EDUCATION AND TRAINING**

The changing nature of economic and social challenges for sustainable development requires a work force that can acquire new skills in response to changes. Despite large investments by governments, the Bank, and others, the challenges in providing cost effective training towards building a productive labor force has become daunting. The efficacy of public provision of training has come under increasing scrutiny and thus points to the need to involve private providers of training as a necessary pre-requisite towards meeting this challenge. The role of the government is viewed more as a facilitator of training rather than a provider as it has traditionally been. This change is even more imperative as most developing country governments are forced to manage tight public budgets despite the growing number of competing demands, requiring fiscal prudence. In addition, limited evaluations and impact assessments of training have shown that most traditional training courses and some innovations in providing pre-vocational training at post primary level have not been effective in meeting the skills requirements in almost all countries. Hence, developing country governments and financing agencies have been forced to deal with the challenge of exploring new ways to cost effectively deliver quality training adapted to the ever-changing skill requirements of labor market.

Against this backdrop, World Bank reviewed its past interventions and responded with a policy paper in 1991 which proposed some changes to the general approach to VET. The policy paper stated that certain changes need to take place if Bank support to skills training is to be effective -

- an analysis of the economic context and labor market issues is fundamental in formulating macro economic strategies and designing investment operations;
- pre-vocational training should be replaced by programs to strengthen quality and access in academic secondary institutions;
- policy changes are needed for encouraging private training and future lending should promote measures to stimulate training in private sector;
- measures to improve responsiveness and efficiency of public training should be a priority in future lending; and
- future Bank lending should require the development of longer term strategies for an evolving role for the government with scope for donor coordination. These principles have undoubtedly changed the character of Bank VET lending in the 1990s.

In response to the recommendation of this paper, greater emphasis has been paid since the 1990s to providing policy advice and supporting reform of training systems.

*Source: World Bank (1991)*

In the 1990s, the Bank continued its investments in training. Partly in response to the policy paper, greater emphasis was paid to overall policy advice and support for VET reform in the training sub-sector. However many challenges still remain. Project supervision and implementation records show that most reforms have been pursued in a piecemeal manner and often not carried out to completion. In many countries, a large part of the problem lies in the fact that projects and reform programs put in place have not been able to develop a systematic and sustainable approach towards reforming VET.

This has given the impetus for a review of Bank involvement in this sub-sector. This paper aims to do just that by mainly seeking answers to the following questions:

- How has the Bank performed in its lending services to its clients in VET?
- How have VET projects performed in terms of meeting stated objectives?
- What factors led to the success or failure of Bank operations?

Based on what has been learned, this paper provides suggestions about how the performance of future VET interventions can be improved.<sup>2</sup>

This review concerns itself primarily with implementation performance and proposes measures to improve project outcomes. However, it should be made clear at the outset that the paper does not address in detail the issue of the effectiveness of specific training-related interventions (e.g., financing of training, public-private partnerships, instruments/mechanisms to reach intended beneficiaries and marginalized groups, and training funds). The main reason behind this is the lack of evaluative evidence on the effectiveness of different interventions in our primary data sources – implementation completion reports and project status reports. Given the importance of documenting and learning from relevant, innovative and good practice approaches on these issues, rather than making generalizations on the basis of a small sample of Bank projects where such information exists, our future work will be concerned with using international experience/evidence to study such issues in further detail.

The paper is organized as follows. Section II briefly describes the methodology and data used and provides an overall assessment of project performance across regions. Section III present main findings from our review of VET projects. These findings are categorized into four main themes -- quality at entry, implementation, private sector participation and monitoring and evaluation. In these sections, the paper will also try and address how projects have responded to the approaches proposed in Box I above. Section IV concludes.

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<sup>2</sup> This study has benefited considerably from a recent report *Sub-Sahara Africa (SSA): Regional Response to Bank TVET Policy in the 1990s* by Richard Johansen (2001) which compares regional support for VET over the last decade with recommendations in the Bank's 1991 Policy Paper on VET. Some of the main findings of this study are summarized in Annex II.

## II. Methodology and Data

This section provides a brief description of the methodology used to select and study projects, description of the information as well as general characteristics of projects and project performance.

### *Approach*

Our sample consists of projects that were either completed or ongoing in the 1990s. The study is based on 55 lending operations or projects (see Annex III for a list of reviewed projects). For projects that were closed, that is, either completed or cancelled, the primary source of information on project performance was their Implementation Completion Reports (ICRs), and OED Performance Audit Reports (if available). For active or ongoing projects at the time the review was initiated, similar information was obtained from Project Status Reports (PSRs/590s). For all projects, Project Appraisal Documents (PADs) were also used primarily as a source of information on key matters such as development objectives, project activities, and assessments at entry, and as a supplement to project completion or supervision reports (see Box 2).<sup>3</sup> Task managers were *not interviewed* as part of this review.

Projects were selected into our sample *only* if loans had a significant training component or were heavily focused on the training system. Some of these projects were not exclusively VET but combined VET-education operations.<sup>4</sup> However, our sample does *not* include Bank projects in which vocational training was a component but where the project was primarily non-VET (e.g. infrastructure project, health projects, adjustment lending or even other education sector projects). Similarly, our sample does not include projects where investments were made in project-related training.

The review initially mirrors the Bank's project cycle, as it permits a clear contextualization of key issues. Hence, the main lessons derived from our investigation are grouped around project appraisal and implementation. In addition, we examine broader issues related to the policy environment within countries and discuss core project dimensions and processes such as stakeholder participation, borrower counterpart financing, institutional development, and monitoring and evaluation (M&E). Through the entire exercise, we use

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<sup>3</sup> In addition to these sources, five of these projects had been reviewed by QAG and data from these reviews was also used.

<sup>4</sup> Less than a fourth of the projects reviewed were combined VET-primary education or VET-secondary education projects.

evidence from previous evaluations of VET operations as well as reviews of other sectors and the Bank's overall lending portfolio to guide our research, corroborate evidence, and underscore the severity of some of the reported causes of project failings. As much as possible, we have striven to conduct our review in an objective and consistent manner. No attempt is made to re-evaluate project performance.

#### **BOX 2: KEY DOCUMENT SOURCES OF PROJECT INFORMATION**

**Project Appraisal Documents (PADs):** The PAD provides a detailed description of the proposed investment operation as well as the rationale for the project. The report also summarizes various project analyses (e.g., economic, financial, fiscal impact, technical, institutional), and assessments of project sustainability and risks, implementation readiness, project consistency with the Bank's country assistance strategy and borrower policies, and compliance with Bank policies and loan conditions, highlighting issues or areas that are of special concern to the Bank and the borrower. The PAD acts as the Bank's appraisal upon which the Bank management and the Executive Directors decision to finance the operation is based.

**Project Status Reports (PSRs) or Form 590s:** The PSR, prepared for all active operations, summarizes key project information, assessments by the supervision task team of various aspects of project performance and risks, and issues affecting project implementation and possible remedial actions. It is a management tool used to assess the Bank-financed projects under implementation. Furthermore, it is an internal reporting instrument that draws on the Aide Memoire used by supervision teams for external dialogue with the borrower.

**Implementation Completion Reports (ICRs):** Within six months of project completion, Bank operational staff and the borrower are required to evaluate the lending operation, prepare the ICR, and to submit their findings to the Bank's Executive Board. The ICR aims to improve the quality and effectiveness of its lending operations by examining the key areas and issues such as project consistency with Bank's country assistance strategy and borrower's sector policy as well as the quality of project preparation, appraisal, execution, supervision, and monitoring and evaluation. In doing so, the ICR identifies significant accomplishments and shortcomings, their causes and consequences, and ascertains lessons for future operations. Project outcomes, sustainability, and institutional development impact, as well as the overall quality of performance by the Bank and the borrower are rated according to standard criteria.

**Performance Audit Reports (PARs):** The OED audits about 25 percent of completed lending operations and reports its findings in Performance Audit Reports (PARs). The PAR is an independent verification of the project's implementation process and outcomes conducted after the ICR review, normally supported through consultations with major stakeholders and the physical inspection of the completed project. The same evaluation criteria as in the ICR is used. The PAR also presents the findings of a preliminary assessment of the long-term impact of the project.

#### ***Sample Overview***

Fifty five project operations were reviewed, of which 33 projects were closed.<sup>5</sup> The cumulative total value of investments for this sample is just under US\$4 billion, of which the

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<sup>5</sup> Seven ongoing operations were not included in this sample as their supervision reports were not located in time for this review. The cumulative total value of investments for these projects amounted to US\$531 million. The Bank's share of which was US\$ 297 million.

Bank's share is nearly US\$2.35 billion or close to 60 percent. The total projected investment in ongoing projects is US\$1.8 billion; the Bank's total disbursement in this is expected to be a little over US\$1.1 billion.

Most projects in our sample aimed to strengthen and upgrade worker skills; technician training was a standard feature in these projects. Common project objectives include upgrading existing training facilities, constructing new infrastructure, introducing equipment, training instructors, developing suitable curricula, financing reforms, involving the private sector, and strengthening the institutional capacity of key agencies. Training programs were usually targeted at new labor market entrants, unemployed private sector workers; retrenched public sector workers, and those at a high risk of job loss (see Box 3 for examples of project objectives, components and intended beneficiaries).

### **BOX 3: EXAMPLES OF VET PROJECTS**

This box gives a sample of the VET projects that have been reviewed in the paper, highlighting project objectives and focus.

The main objectives in the *Brazil's Technician Training Project* were to: (i) define a long-term development policy for technician training at the national and regional levels; (ii) adapt the quality and quantity of technician training to regional and national demands; and (iii) provide industrial sectors with trained workers. These objectives were supported by two broad components: (a) institutional development which comprised of upgrading training for school administrators, instructors, and planners; developing improved and standardized curricula; strengthening the links between technical schools and industrial and agricultural employers; and conducting studies to evaluate training methods and outcomes; and (b) physical infrastructure development - equipping and refurbishing existing industrial and agricultural technical schools.

*Jordan's Training and Employment Support Project (TEP)* was a pilot project intended to introduce an efficient and effective linkage between public expenditures for short-term training, and the business community skill requirements. The project components included: (a) a pilot training fund to provide funds for in-service training of short duration (up to six months) and related support services such as occupational needs analysis and employment intermediation; and (b) monitoring, studies, and evaluation to fund survey and studies to evaluate the wage and employment impact of the type of training support provided by the project in comparison to existing training programs.

*Ghana's Vocational Skills and Informal Sector Support Project* aimed to improve informal sector productivity in selected occupational areas, and to reorient the vocational skill training system away from a supply-driven to a demand-driven system. The project was focused on: a) strengthening capacity to respond to the short-term training needs of those in the informal sector; b) involving indigenous trade associations in designing competency based training programs; c) creating closer links between trade associations, public and private training institutions, and the Government; d) re-orienting the focus of private and public training institutions away from the long pre-employment training to the provision of short in-service training for those in the informal sector.

In the case of the *Turkey's Non-formal Vocational Training Project*, training programs were targeted at relatively disadvantaged groups such as women, unskilled unemployed, and the poor, long-term unemployed. Training was also targeted at those individuals seeking employment in the formal sector but lacked the requisite skills to make the transition. Apart from the project's objective to increase the supply of skilled workers, it sought to improve the employment and income-generating prospects of these disadvantaged groups through training in entrepreneurship and self-employment.

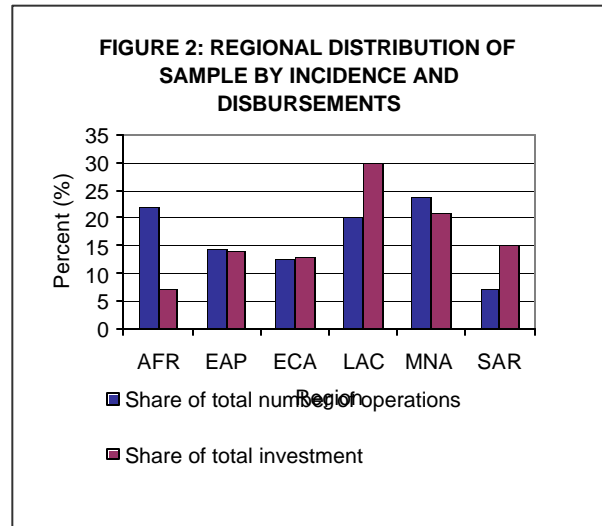
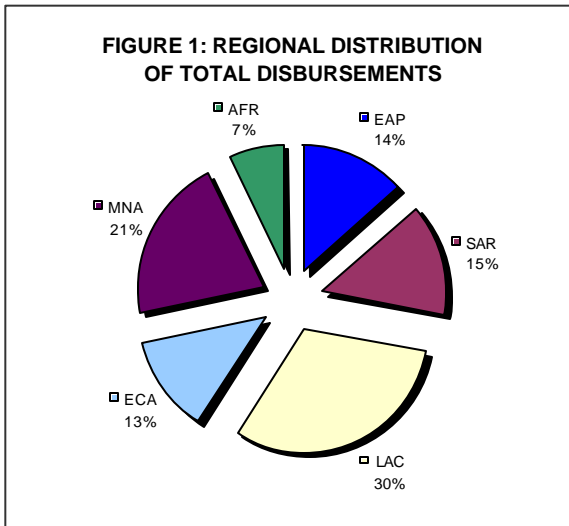
The projects were spread across all regions (see Table 1). Close to a quarter of the

Region	Number	Percent (%)
Africa (AFR)	12	21.8
East Asia and the Pacific (EAP)	8	14.5
Europe and Central Asia (ECA)	7	12.7
Latin America and the Caribbean (LAC)	11	20.1
Middle East and North Africa (MNA)	13	23.6
South Asia (SAR)	4	7.3
<b>Total</b>	<b>55</b>	<b>100.0</b>

projects were in the Middle East and North Africa region (MNA), followed, in sequence, by Africa (AFR), Latin America and Caribbean (LAC), and East Asia and Pacific (EAP). Europe and Central

Asia (ECA) and South Asia (SAR) had the lowest number of projects, together only accounting for roughly a fifth of the total sample. Notwithstanding, projects were introduced in a wide range of countries in terms of social and economic conditions as measured by national income levels as well as other indicators.

In terms of total amount of disbursements, the largest share belonged to LAC which received



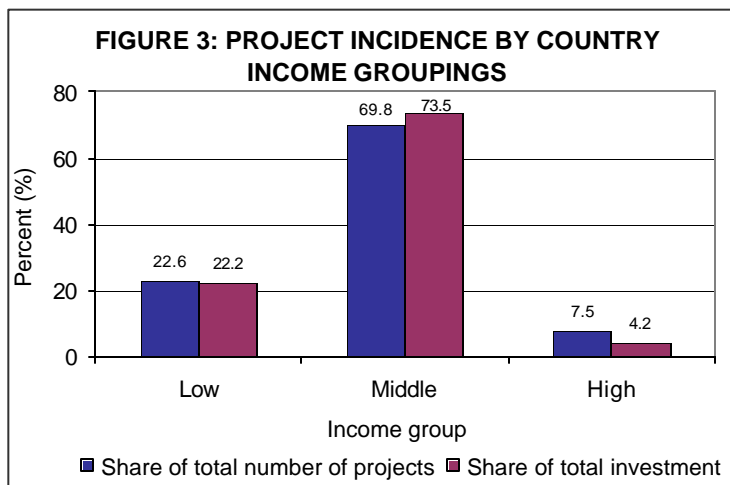
close to a third (see Figure 1). This was followed by MENA at just over 20% and EAP, ECA and SAR at around 15%. Putting these data together tells an interesting story – while AFR had only a seven percent share in lending, over 20% of the projects were from that region. On the other hand, while LAC had 30% of the lending, it had 20% of the projects (Figure 2).

An investigation of projects by per capita income categories of recipient countries reveals that the majority of projects were instituted in middle income<sup>6</sup> countries (see figure 3).

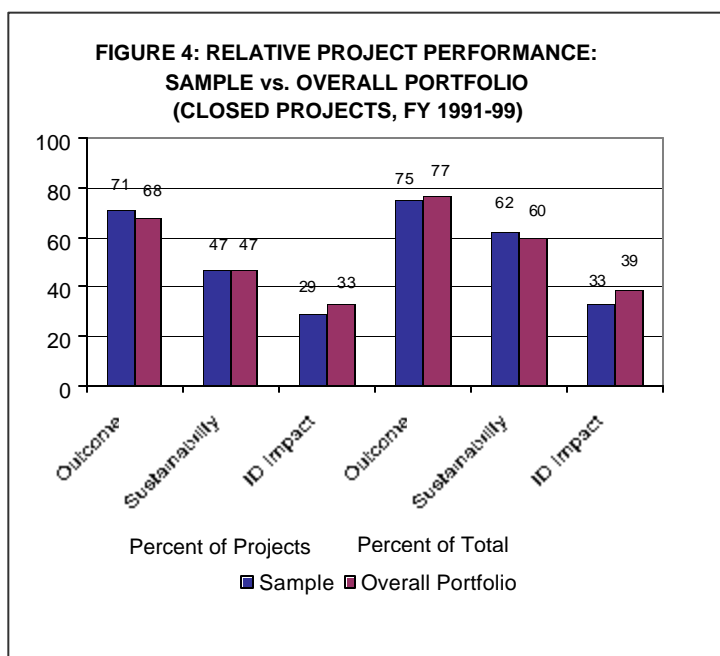
**General Assessment of Project**

**Performance**

Given the small size of the study sample, it did not make much sense to conduct an evaluation of trends in project performance -- any descriptions and associated inferences will undoubtedly be highly sensitive to sample size. This same



reason obviates us from performing a regional examination of project performance, except in



a very elementary fashion so as to draw attention to clear disparities.

17 of the 33 closed projects in the study sample were evaluated in the ICRs according to various performance criteria – e.g. sustainability, achievement of outcomes, institutional development impact, and Bank and borrower performance. These projects represent all the Bank regions. For the purpose of this

section, this 17 project cohort will be referred to as the *sample* from here on in.

In the discussion to follow, the performance results for the *sample* are compared to those determined by the OED for the overall Bank portfolio of closed projects for FY 1991-99 when possible. It should be noted that these results and comparisons should be treated with caution owing to the small sample size.

<sup>6</sup> Low-income economies are those with a GNP per capita of \$785 or less; middle-income, \$786-9,655; high income, \$9,656 or more (WDR 1998/99).

*Achievement of outcomes:*<sup>7</sup> About 71 percent of the *sample* was rated *satisfactory* when evaluated for achievement of development outcomes as compared to 68 percent for all closed projects between FY 1991-1999. Weighted by disbursements, this share improves to 75 percent, but loses ground to the overall portfolio (77 percent satisfactory).

*Sustainability:* When evaluated for sustainability,<sup>8</sup> 47 percent of the sample was judged as having *likely* sustainability. This share is identical to that of all closed projects from FY 91-99. When weighted by disbursements, the share of projects with *likely* sustainability improves to roughly 62 percent, again similar to that of all closed projects from FY 1991-99.

*Institutional Development Impact:*<sup>9</sup> Historically, institutional development has been one of the most challenging activities for Bank projects as a whole, contributing to a disappointing low success rate. VET projects appear to be performing slightly better in this area when measured in terms of the share of projects, but do worse when measured by share of disbursements. About 38 percent of the *sample* showed *substantial* institutional development compared to 33 percent for all closed projects between FY 1991-99. When weighted by disbursements, 33 percent of the *sample* was assessed as having had *substantial* institutional development compared to 39 percent for the overall portfolio. No major regional patterns could be discerned as almost all projects in the *sample* achieved at least *partial* institutional development.

*Bank and borrower performance:*<sup>10</sup> Borrower performance was best with respect to project preparation with nearly 90 percent of the sample rated as *satisfactory*. However,

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<sup>7</sup> The *achievement of outcomes* is established by taking into account three elements, namely, relevance (whether the project's objectives were consistent with the country's development strategy), efficacy (whether the project achieved its stated goals), and efficiency (results relative to inputs by costs, implementation times, and economic and financial returns). It is evaluated on a four-point ordinal scale: highly satisfactory, satisfactory, unsatisfactory, and highly unsatisfactory (OED, ARDE 1998).

<sup>8</sup> *Sustainability* is defined as the likelihood, at the time of evaluation, that a project will maintain its results into the future. Aspects assessed in determining this likelihood include country conditions, government and economic policies, the political situation, as well as more project-specific features such as finance arrangements and budget size. It is rated on a three-point ordinal scale: likely, uncertain, and unlikely (OED, ARDE 1998).

<sup>9</sup> *Institutional development impact* is defined as the extent to which a project has improved an agency's or country's ability to use its human and financial resources effectively and to efficiently organize economic and social activities. Institutional development impact is rated on a three-point ordinal scale: substantial, modest (partial), negligible (OED, ARDE 1998).

<sup>10</sup> *Bank performance* is defined as the quality of service delivered by the Bank, especially in tasks it has a primary responsibility, such as appraisal and supervision. *Borrower performance* is defined as the assumption of ownership rights and responsibilities and delivery of inputs needed to prepare and implement the project.

project implementation and compliance with legal covenants were not as encouraging with over a third of projects in the *sample* receiving a *deficient* rating with respect to both. The shares of all three dimensions are comparable with those of the overall portfolio of closed projects for FY 1991-99.

Bank performance at project identification was exceptional with nearly all projects (94 percent) in the *sample* rated as *satisfactory*. However, appraisal and supervision performance did not follow suit -- only 53 and 56 percent of projects were considered satisfactory in these dimensions respectively. These statistics are particularly disappointing when compared to the overall portfolio wherein 64 and 74 percent of the projects were considered as having *satisfactory* appraisal and supervision respectively.

While our sample is quite small, and hence it may not be possible to draw any definitive conclusions – the data seem to suggest that the performance of the VET portfolio has not been significantly different from that of the overall Bank portfolio in terms of outcomes, sustainability, and institutional development impact. However, as evidenced by the low levels of impact as well as mediocre Bank performance at appraisal and supervision, there is significant scope for improvement in the performance of the portfolio.

### **III. Project Experience and Impacts**

This section focuses on some of the salient aspects of the Bank's project experience in VET. The discussion that follows endeavors to cover the key aspects of VET projects, underscoring major strengths and weaknesses of both the Bank and the borrower. However, in view of the fact that the paper's principal purpose is to influence improvements in future Bank-financed VET operations, the emphasis has naturally been on describing shortcomings which, in our judgment, have collectively or individually impaired project performance. Notwithstanding, successful characteristics of projects are also reported in an effort to learn from such experiences. The discussion is structured into four main sections. They are as follows: (1) quality at entry; (2) implementation; (3) private sector participation; and (4)

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Various dimensions in these two criteria are measured using a three-point ordinal scale: highly satisfactory, satisfactory, and deficient. OED, ARDE 1998.

monitoring and evaluation (M&E). The wide array of lessons were loosely grouped under these four themes to facilitate their consideration.<sup>11</sup>

## **A. Quality at Entry**

The OED's portfolio performance reviews (ARER 1998) repeatedly point to "quality of entry" being a key determinant in the Bank's project portfolio performance in general. Our analysis supports this finding. Lessons emerging from our analysis relate to the importance of clearly established project rationale in light of its influence on project scope, scale, and structure; risk and constraint assessments and the development of measures to enhance project robustness and flexibility; sound integration of lessons from past project experiences; and constructive consultations with major stakeholders. This section also highlights some recent innovations in the design of VET programs.

### ***(i) Project Rationale and Economic Analysis***

As stated in the Bank's VET policy paper, projects should be contextualized within the borrower's education, employment, and broader macro-economic policies.<sup>12</sup> The economic rationale for vocational training and skills development is the *sine qua non* for project identification and design and hence, must be clearly determined and argued. It is imperative that the rationale for VET project intervention seeks to address not only the symptoms of relevant skills shortage but also their underlying causes. This implies that the project design should take into account the realities of the labor market, the regulatory framework, and macroeconomic reforms geared towards economic growth. As it stands, in some projects, existing education and training policies and programs are not factored into the economic rationale contributing to the ill-design of projects. (see Box 4).

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<sup>11</sup> It should again be noted that due to lack of adequate data, the paper does not address the issue of the effectiveness of specific training-related interventions. These issues will be addressed separately in the future.

<sup>12</sup> "The design of economically sound training policies and investments requires improvements in the analysis of the intricate relations between economic policy, training efficiency, and equitable access to employment (World Bank, 1991)."

#### BOX 4: ECONOMIC ANALYSIS OF VET PROJECTS

The Bank Policy Paper of 1991 noted that the “analysis of the economic context of training, including labor market issues, should be improved and used in formulating national macroeconomic strategies and designing investment operations.” However, experience seems to suggest that as a whole, projects have not been able to achieve this objective.

According to the policy paper, analysis of the economic context of training requires examination of two main questions: (a) What skills are needed over the medium term?; and (b) What is the impact of economic and social policies on labor market efficiency and employment? The first question about skill requirements involves several steps, including (i) the anticipation of structural shifts in the economy and identification of growth trends, (ii) identification of economic policies (e.g. protectionist measures) and strategies (e.g. targeted sectors), and (iii) forecasting the effects of these shifts and measures on growth of employment by sub-sector and industry. The second question calls for mapping the impact of economic and social policies on the labor market, including effects on employers and workers. This requires the examination of legislation –especially labor codes and regulations, the extent to which the regulations are actually enforced; and determination (quantitatively if data permits) of the likely benefits and costs of needed policy reforms.

A recent study on VET projects in the Africa region shows that less than a quarter of the projects have been able to perform analysis consistent with these requirements (Johansen, 2001). For example, *Mali’s Vocational Education and Training Project* rooted the economic justification in surveys to ascertain labor market demand. Growth sub-sectors and industries were identified and the project provided a realistic rate of return and sensitivity analysis. *Madagascar’s Vocational Education and Training Project* linked macroeconomic policy and employment, and identifies restrictive labor market regulations and their enforcement.

The experience in other regions has been similar with less than a third of projects performing rigorous economic analysis. It is clear that significantly greater emphasis needs to be placed on economic analysis in the design of future projects.

Additionally, many developing countries have an inchoate education and training policy framework. Left uncorrected, this weakness can contribute to a piecemeal approach to skills development. Projects introduced under such circumstances are, beyond their exposure to a wide range of risks, unsustainable over the long-term. This problem is exemplified by the proliferation of projects designed in the absence of Bank technical support towards developing a coherent training policy framework.

At a micro level, in some of the reviewed projects there appears to be a disconnect between the objectives and the components of the project. Most projects have similar rationale such as reducing the fiscal and institutional burden on higher education, enhancing the employment and earnings potential of disadvantaged groups, or creating a skilled workforce as a precondition for private sector growth. However, in many cases, the components are not designed in such a way so as to meet these objectives.

(ii) *Realistic Objectives*

Successful projects have usually had objectives that have been consistent with the government's relevant VET sector policies. These objectives, have also taken into account the country's political and economic realities and its institutional and implementation capacity. However, many projects had overly ambitious objectives or tried to address complex reforms issues in VET with weak instruments. This has often led to frustrations in implementing the project and stalled efforts in tackling important reforms.

It is not uncommon for project design to be undertaken in an environment where VET policies are not well-developed and the economic situation is in a state of flux. This requires project teams to be particularly cognizant of how the policy environment and country dynamics (especially the labor market situation) will impact on the project and designing the project accordingly. When training policy reform issues have been concurrently pursued with project preparation, objectives have been able to better reflect the situation on the ground (see Box 5).

Furthermore, incorporating flexibility in project design in order for projects to be better able to respond to changes in policy and institutional structures mid-stream may also lead to an higher likelihood of project success (see Box 6).

**BOX 5: ADJUSTING TO REALITY**

The *Mozambique Education and Manpower Development Project* was designed in the context of the country's 1986 Economic Rehabilitation Program. Project objectives comprised of addressing skill shortages by providing training in professional and technical skills, and strengthening the policy and planning capacity of the education sector.

The objectives of the project were kept simple and realistic for several reasons. First, the country was in the midst of a violent civil war and a highly volatile political situation. Second, this project was one of the first IDA investment operation in the country and was aimed as a precursor to further interventions. Finally, given the government's relatively weak policy in the VET area, it was realized that for the program to succeed, emphasis needed to be given to policy level reform/development and capacity building.

Given the economic and political constraints facing the nation, the project was amended twice - in 1991 and again in 1995 - to better respond to changes in the borrower's circumstances and priorities. Furthermore, the project helped in establishing an informed dialogue with the country on issues pertinent to the education and training sector and assisted in developing a comprehensive strategy for the sector.

**(iii) Project Risk Assessment, Prevention, and Mitigation**

Like projects in other areas, VET interventions are also exposed to multiple risks from different sources in an unpredictable manner that heightens the need for an appropriate risk management framework. The development of appropriate risk management instruments requires a careful analysis of factors which propagate risk. Project risk assessment, as reiterated in numerous evaluative studies by the Bank, has traditionally been a weak area for

**BOX 6: RESPONDING TO UNANTICIPATED CHANGES**

The objective of the Trinidad and Tobago *Youth Training and Employment Partnership Project (YTEPP)* was to improve the quality and relevance of education and training and enhance the labor market prospects of youth. This project benefited greatly from enhanced flexibility to changing labor market demands for skills. Although the project was performing reasonably well, a few problematic aspects identified in the mid-term review needed to be modified. The project was restructured to address high attrition rates, low job placement rates, poor links with the labor market, and the weak demand-orientation of training. Courses were reduced in length. A LMIS system was introduced to improve the demand-responsiveness of training and the project was readjusted to strengthen links with prospective employers.

These aforementioned changes had a marked positive impact as the project was able to diversify and customize its training to meet the needs of both public and private sector employers without a major increase in recurrent expenditure. A key determinant in the flexibility of the project to adjust to changes in the demand for skills by the labor market was the independence of the implementing agency. The project was managed through a parastatal entity and, as a result, possessed the autonomy to take decisive actions and to make modifications when necessary with minimal state intervention. Another determinant for the ultimate success of the project was the introduction of the LMIS which fed back information into the system and allowed greater responsiveness to the labor market.

the Bank's lending portfolio in general. In VET operations, factors such as unanticipated changes in labor demand, or changes in the political and institutional environment may detrimentally affect project outcomes. In our overall sample, about one third of the projects were adversely affected by poor risk assessments.

In this sample, the main risks faced by these projects can be grouped under management risks, financial risks, political risks and economic risks.

- *Management Risks.* In many

countries the agency responsible for implementing the VET project lacked adequate technical expertise. The inability of these projects to incorporate these capacity risks led to implementation difficulties with even well-designed projects. In addition, projects seldom accounted for the risks associated with high turnover of personnel critical for project implementation.

- *Political Risks.* Relatedly, training projects frequently fail when the political constituency does not attach importance to them or when personnel changes occur that are not based on objective criteria or are politically motivated. Most ICRs indicate that this risk was not properly incorporated or assessed during project preparation and appraisal.
- *Financial Risks.* Risk assessments frequently fail to consider the difficulties in obtaining counterpart funds in a timely manner which often lead to delays in implementation and the inability to achieve desired objectives in a timely manner. This is accentuated by downplaying the risks associated with the lack of familiarity of project personnel with the Bank's procurement and disbursement guidelines.
- *Economic Risks.* This has been discussed in greater detail above, and is linked to the issue of weak economic analysis. Some VET projects link their objectives to overly optimistic economic growth projections which make them vulnerable when such growth prospects are not achieved and the resultant demand for skilled workers is not forthcoming. Skill requirements change in response to economic policy changes – however, in many cases, project design discounts the likelihood of such changes.

Thorough risk assessments, which aim to examine and address the risk factors mentioned above at the project appraisal stage are vital towards enhancing project responsiveness to risk.

***(iv) Integrating Lessons from Past Project Experiences***

When designing projects, it is crucial that lessons from past project experiences be given due consideration. These past projects need not be just those that were implemented by the borrower in the area of training as beneficial lessons can be drawn from lessons of other projects from the same country or project experiences of other countries. While there is unequivocal agreement of the value of integrating lessons from past projects (not only done by the Bank but also by other agencies) into new projects, this practice is still not followed often enough as few projects have been actually been able to do it with some measure of success.

While most PADs do mention that they have taken the lessons of experience of other projects into account, ICRs usually tell a different story. A major reason for this is that there is little rigorous evaluative evidence on lessons learned from past experiences. This makes it extremely difficult to incorporate lessons even when there is a desire to do so. This highlights

the importance of building a sustainable *monitoring and information system*, an issue which we will revisit in a subsequent section.

However, there have been examples of projects which have successfully integrated lessons from the past into project design. Sri Lanka's Second Vocational Project demonstrates a "good practice" example of learning from past experiences (see Box 7).

<b>BOX 7: INTEGRATING LESSONS: THE CASE OF SRI LANKA'S FIRST AND SECOND VOCATIONAL PROJECTS</b>	
<b>FIRST VOCATIONAL PROJECT</b>	<b>SECOND VOCATIONAL PROJECT</b>
<i>Centralized management structure lacked flexibility to be responsive</i>	➔ <i>A semi-autonomous management structure with inter-ministerial representation was established</i>
<i>Limited staff training in existing institutions</i>	➔ <i>Extensive staff and instructor training program that included international exposure</i>
<i>Use of existing institution for training encountered administrative difficulties</i>	➔ <i>Benefited from procedures clarified during the first project</i>
<i>Initiated construction industry skill training and experienced major problems reaching less than 60 % of training goals</i>	➔ <i>Benefited from experience and was able to surpass appraisal training targets 130-160% and increased graduates' employability</i>
<i>Difficulties in introducing heavy equipment training</i>	➔ <i>Able to build on heavy equipment training pilot program</i>
<i>Implementation problems associated with needs assessment and tracer studies</i>	➔ <i>Carried out needs assessment and tracer studies, increasing program responsiveness to industry needs building on first project</i>
<i>The development of linkages with the contractors was slow</i>	➔ <i>Increased dialogue with contractors improved the responsiveness of the training programs</i>
<i>Major problems developing training modules due to creating rather than adapting existing modules</i>	➔ <i>The project included a technical assistance component to help adapt existing modules</i>
Source: Sri Lanka Second Vocational Project ICR	

***(v) New Areas of Focus in Project Design***

The Bank's policy paper on training recommended improving the effectiveness and efficiency of public training through developing innovative sources of financing for training and ensuring that access to training is provided for the disadvantaged and the informal sector. Over the past decade, project design has changed in an attempt to bring in these issues.

*Financing.* An appropriate financing policy should ensure both the stability of funding needed to develop the capacity for policy implementation as well as the level of financing to improve training outcomes (World Bank, 1991). The claim on public resources for vocational education and training is much less strong than that for lower levels of education in most countries. Furthermore, in many developing countries, government budgets constitute a vulnerable and unreliable source of financing for training. Thus an important objective in the financing of such a system is to increase the contribution of beneficiaries – both employers and trainees. Over the past decade, Bank projects have supported payroll levies and cost-recovery scheme to generate resources. These are discussed briefly below.

Several Bank projects (e.g. the *Cape Verde Training Support Project*, the *Madagascar Employment and Training Project*) have introduced levies. However, the experience with levies has been less than satisfactory. While these schemes have led to some increase in quantity of training, they seem to function best under conditions of economic growth. In countries where economic growth has been slow, imposition of the levy has not had a significant impact on increasing training as economic growth rates, and employer demand has remained depressed. Furthermore, small employers do not benefit substantially from these schemes as these schemes usually end up being akin to subsidies to large firms and taxes on small ones. This issue is of great concern in many developing countries where over 80% of employment is in small to mid-sized firms. Furthermore, another issue with these schemes is that they encourage cross-subsidization across skill categories, – most of the training goes to the more educated and higher-skilled workers. Hence, less skilled workers are subsidizing the training of the more skilled. Furthermore, these workers are more likely to work in larger enterprises.

Some countries have also experimented with cost recovery from trainees (Johansen, 2001). However, this has met with little success in raising resources for delivering training to

the informal sector – largely because of the low incomes of the beneficiaries. Johansen suggests that the failure of cost sharing in several projects suggests the need to rethink ways of accomplishing the objective for poorer clients. Financing arrangements need to be tailored to what the target groups can afford. Rather than cash outlays, cost sharing could perhaps be accomplished by payments in kind or labor for the project.

**BOX 8: JORDAN'S TRAINING FUND**

The training fund component of *Jordan's Training and Employment Support Project* is an example of the type of training funds being supported through various Bank projects. This project deals specifically with the setting up of a pilot training fund which is aimed at supporting in-service training of a short duration (up to six months). This training is in-service and has to be identified by employers and provided by employers themselves or by public or private organizations which are chosen on a competitive basis.

It is anticipated that a successful training fund will pave the way for the government to reduce the direct provision of training and move towards a more competitive funding of training. Not only will this ensure a significant role for private training providers, it will also lead to an increase in the relevance of publicly provided training. Initial evaluative evidence point towards the fund achieving its objective of enhancing competition between public and private providers of training, and increasing the cost-effectiveness and demand relevance of training.

VET projects are also turning to training funds as a source of targeted financial assistance to employers and training institutions to increase flexibility in responding to periodic training needs (see Box 8). Preliminary lessons seem to suggest that the experience with these funds has generally been positive in leading to increasing the demand-responsiveness of training and making the playing field more level between public and private providers of training. However, it is clear that preparation of a training fund is not easy, requiring agreement among

policymakers on the rationale, purpose and benefits of the fund. These funds seem to work best when they have management and financial autonomy (Johansen, 2001). Given that the main purpose of these funds is to ensure that training is demand-relevant, it is also important to ensure that employers have a major voice in the design and implementation of the fund.

*Training for the Informal sector.* Following the policy paper, Bank projects responded in a major way to the needs for training in the informal sector, especially in the Africa region. In his review, Johansen (2001) reports that these projects appear to be relatively successful in providing training services to the informal sector, e.g. self-employed persons, micro and small enterprises, master craftspeople and apprentices. However, as data on costs of such training is seldom available, it is not clear whether these interventions have been cost-effective or are sustainable.

However, Johansen has identified some principles of good practice. They include: (a) employers should define and select the training they want. For example in the *Ghanian Vocational Skills and Informal Sector Support Project*, micro-enterprise trader associations were closely involved in the design of training programs. Similarly, in other countries, informal sector master craftsmen were involved as both the demanders as well as the providers of informal sector training; and (b) serving poorer clientele in the informal sector requires adequate efforts at outreach, including appropriate dissemination of information, NGO involvement and field presence. In many projects, implementation has been slowed owing to the difficulty in providing information on the training services to a diverse informal sector target group.

## **B. Implementation**

It was no surprise to find that effective implementation of a project is instrumental to the success of project outcomes. Hence added attention should be paid to the wide range of issues that can potentially undermine implementation performance. Some of these issues are related to administration, the use of technical assistance and financial, procurement capacity, and supervision. These issues are discussed in further detail below.

### ***(i) Administrative Structure***

The review generally supports the finding that effective demand-driven systems require decentralized management and autonomy in order to achieving project objectives in a timely manner. This issue was somewhat touched upon in the previous section in the discussion of training funds. A certain degree of implementation autonomy from central government agencies responsible for VET can improve project efficiency (see Box 9). Evidence shows that semi-autonomous implementing agencies and training institutions were better positioned to plan and ensure timely delivery of good quality and demand-relevant training. Simultaneously, close links between the implementing agencies (e.g. PIUs) with relevant ministries and training institutions is necessary to ensure the sustainability of the project.

### **BOX 9: AUTONOMY OF IMPLEMENTING AGENCIES**

The merits of management decentralization are being observed repeatedly with vocational training projects given their exceptional need to be flexible and adaptable, particular to external factors. In the *South Korea Vocational Schools Development* and *Vocational Education Projects*, the overall responsibility for project management was with the local Offices of Education instead of the Ministry of Education. These Offices of Education (OEs) were delegated project implementation responsibility but were required to work in close collaboration with the Ministry of Education and within the Ministry's prescribed standards, regulations and allocated budgetary resources. This approach contributed to better planning, operations, and quality and relevance of training. The OEs were more attuned to local needs and did not require the Ministry's approval of decisions. In the *Mauritania Technical Education and Vocational Training Support Project* institutions were given full autonomy in their operations and use of funds. These institutions now design and offer programs that are responsive to the labor market, raise funds from the marketing of their services and do not depend entirely on public finances for their operation.

Notwithstanding, partial decentralization can have its drawbacks unless coordination is enhanced. In the Korean case, although project management was decentralized, investment decision-making and budgetary control were in the hands of Ministry officials. The strict, annual allocation of counterpart funds by the Ministry prevented the OEs from accelerating their procurement plans. However, subsequently flexibility was introduced in the disbursement schedule easing some of the tension and realigning flows.

Decentralization of VET systems and promoting autonomy of training institutions are issues that are gaining increased emphasis particularly as reforms are being sought in areas related to the financing of training and private sector participation.

#### **(ii) *External technical assistance***

Technical assistance is aimed at strengthening the institutional and technical capabilities of the borrower. In many projects, external technical assistance and expertise is used to complement domestic expertise as well as address weaknesses in domestic skills and capacity. as required (see Box 10).

Our review has shown that a significant number of projects relied excessively on external technical assistance and used this expertise even for routine operational functions. While this is somewhat justified, owing to the weakness in the capacities of VET line ministries, it has often hampered the prospects of building long-term capacity in areas where it was needed and also adversely affected program sustainability.

#### **BOX 10: TECHNICAL ASSISTANCE AND CAPACITY BUILDING: SOME EXAMPLES**

In the *China Vocational and Technical Education Project*, the IDA-financed technical assistance component comprised of short and long-term staff training both locally and overseas. Long-term training was provided in-country to staff and instructors from Vocational Training Centers (VTCs) and Technical Teacher Training Colleges (TTCs) in pedagogic and instructional methods. Similarly, short-term training (1-3 months) was provided to VTC/TTC staff by domestic and foreign consultants. As determined during project identification, skill shortages were identified in the areas of instruction, management, and industrial practices. Hence training was targeted towards these areas. Some administrative staff, key instructors and principals received relevant training through overseas study tours of vocational education systems in industrialized countries and a short fellowship programs.

In the *Philippines Vocational Training Project*, technical assistance was provided effectively through the use of foreign and local consultants, as well as fellowships for study abroad programs in Europe and the USA. Target beneficiaries were key personnel of the country's National Manpower and Youth Council (NMYC). Fellowship programs were used to upgrade technical and professional proficiency of NMYC staff. Consultants were primarily used for the purposes of equipment specification and computerization.

It is clearly important to streamline technical assistance depending on the relevance and needs of the country concerned. In projects where the assistance was regarded as being successful, the nature and extent of external technical assistance was determined through a consultative process involving the borrower and key stakeholders.<sup>13</sup> Needs were clearly identified and technical assistance was targeted towards meeting these needs and building local capacity in these areas while doing so.

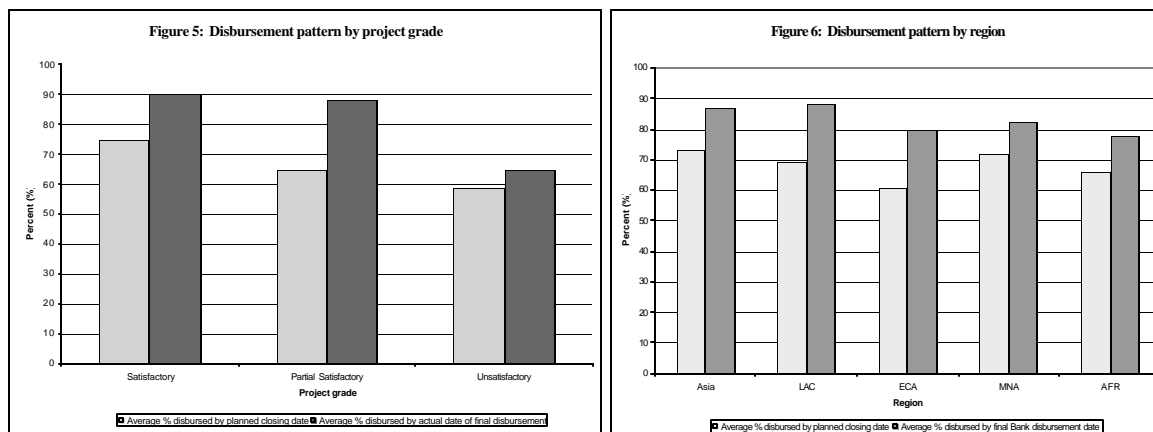
#### ***(iii) Borrower Counterpart Funding and Absorptive Capacity Issues***

Irregular and inadequate counterpart funding and low absorptive capacity have been a perennial hindrance to project success. Over a third of the projects examined encountered serious financial problems due to this. VET projects in general only disbursed 69 percent of the total project loan amount by their planned closing dates. Even at the final date of disbursement by the Bank, on average only 84 percent of the target was met pointing to problems associated with borrower's absorptive capacity among others. As expected, satisfactory projects performed relatively better, disbursing 90 percent of the total loan

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<sup>13</sup> These involve not only the relevant line ministries but also training providers and employers who are closely linked to labor market demand and can provide crucial feedback on areas in which capacity should be built up in order to ensure that the training system responds to the needs of the labor market.

amount by the final date of Bank disbursement compared to only 65 percent for unsatisfactory projects (Figure 5 and 6).



Analysis of disbursement performance of the study sample by region reveals that projects in Asia (EAP & SAR) and LAC did marginally better in meeting their targets than those implemented elsewhere. In our sample of projects, about 3 out of 4 VET projects had at least one extension with about 1 out of 5 projects with multiple extensions.<sup>14</sup> Projects in AFR and ECA did better in meeting their original timetables than those in MNA, LAC, and Asia.

Our review shows that these problems have arisen due to several reasons:

- *Lack of upfront planning* – The local project agency often lacks experience in forecasting counterpart fund requirements during different stages of implementation has often led to counterpart funding being delayed or unavailable;
- *Lack of political commitment* - Projects that do have a high priority either politically or institutionally have not been successful in obtaining counterparts funds at appropriate times. As they are sometimes seen as being targeted to a small (and relatively politically weak) sub-group of the population, projects in the VET sector often face this problem and are accorded a lower priority by politicians and policymakers in the Ministry of Finance;
- *Deterioration of the fiscal situation* – Relatedly, unforeseen fiscal tightening due to economic or other reasons for the borrower, leads to funding for lower priority projects to be decreased and vocational training projects usually fall in this category;

In many cases, ICRs reveal borrower complaints about counterpart requirements being unfair in an environment where lack of resources for recurrent expenditures leads to the inability of governments to pay instructors on a regular basis and maintain some minimum service quality. In addition, disbursement problems are created by the fact that forecasts for duration for VET projects remain overly optimistic. There is evidence of training projects expecting to disburse a larger portion of project funds compared to countries' own training budgets which is an unrealistic expectation. An important reason for the low absorptive capacity in some countries is the delay in policy and institutional reform underlying certain project activities.

*(iv) Stakeholder Participation*

Broad consultations and stakeholder participation throughout the project cycle is still not highly prevalent. Lack of broad-based consensus and consultations contribute to a lack of ownership of project outcomes and lack of commitment in project planning and execution leading to lower likelihood of project sustainability. The three main sets of actors are: relevant government agencies and institutions (inter-agency coordination), the private sector, beneficiaries and donors.

- *Inter-agency coordination* - In many of the countries, multiple ministries and related training institutions and agencies are responsible for the provision and management of training – and often there is a significant overlap in the training that is provided. Often, there is little or no coordination between these agencies which has led to incoherency in training policies and programs, duplication of activities and a wastage of scarce resources. Bank projects, which are sometimes focused on a particular line ministry that administers training programs, rather than on the overall training sector, have generally not focused on promoting communication and coordination on training policy between government agencies. This has led to disruptions in project implementation, adversely affected the effectiveness of the project and reduced the sustainability of project outcomes. While there is nothing wrong in training projects being focused on training being provided by a

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<sup>14</sup> On a positive note, however, VET projects have fared relatively well in complying with their original timetables. The average time overrun for VET projects was about 17% compared to 54% for completed investment operations between 1974-94 (ARER 1994)

particular ministry, emphasis should also be given to fostering a closer collaboration between agencies providing training.

- *The private sector and other beneficiaries* - Traditionally these groups have played a marginal role in the identification and execution of training programs in countries. Projects in which a constructive relationship was forged between the implementing agency and these groups, resulted in manifold benefits - improving the quality and cost-effectiveness of training and resulting in greater sustainability of reforms. A major outcome of such consultations is the shift in control of training from the supply side to the demand side. Our review shows that even in projects where greater stakeholder participation is fostered, it has invariably been focused on including employers in the design and implementation of projects. Private training institutions (and indeed beneficiaries such as students) are still somewhat marginalized in the process.
- *Donors* - Donors have been playing an important role in training programs and policy reforms in developing countries. However, a lack of dialogue between the borrower and the donors and between donors has often dampened the beneficial effects of such assistance. As mentioned in the Bank's policy paper – the considerable difference in the type of training supported and the type of assistance provided by donors have led to a variety of piecemeal projects. Often several donors may end up supporting different training institutions within a country with little coordination between them or with little coordination with those in the country responsible for training planning and policy. A first step that governments may want to take towards improving coordination is to develop effective national strategies (these can be developed with assistance from donors). Donors will then need to fit in their support with the government's strategy, once it is designed. It may be useful to form a donor "forum" to share relevant experiences or building synergies in project design and financing which has, in most cases, improved the likelihood of project success and sustainability (see Box 11).

#### **BOX 11: ZAMBIA'S APPROACH TOWARDS DONOR AND STAKEHOLDER COORDINATION**

A successful approach towards donor coordination (and coordination between donors and stakeholders) is being achieved in Zambia's TEVET Development Program (TDP) which is a multi-donor supported program aimed at helping Zambia reform its training system – while this project was approved by the Bank's board in 2001 and hence was too recent to include in our review, donors have been coordinating in project design for the past few years.

In the project, the overall program management component aims to support efficient and effective program management as well as monitoring the implementation of TDP at all levels of the system. This component supports the establishment of a Program Steering Committee (PSC) to oversee the administration of TDP. The PSC will have representatives from the government, training authority, employers, workers and donor organizations. The functions of the PSC are to, inter alia, to assess and approve annual work plans and budgets and to convene an annual stakeholders forum. The PSC meets twice each year. The regular interaction among donors and between donors and local stakeholders has ensured that all key players are making decisions in a coordinated manner in support of the training system reform.

#### **(v) Other Issues**

Some other issues affecting project implementation were:

*Financial management.* Our review indicates weaknesses across all dimensions of financial management, including accounting, financial reporting, and auditing. ICRs and supervision reports for roughly one-third of the projects indicated that poor financial management procedures and practices negatively affected project performance and outcomes and oftentimes, actions to resolve problems related to financial management were delayed or inadequate. A related issue is the transparent use of funds. Our analysis shows that this is essential for successful implementation of project activities, as was highlighted by the poor performance of projects where poor record keeping and non-compliance with auditing requirements was evident.

*Procurement management.* More than a third of the projects suffered from procurement problems, many of which could have been avoided if a thorough diagnosis was conducted at the project preparation stage and pre-emptive measures taken. Typically, procurement problems have arisen due to poor procurement planning (arrangements and schedules) and insufficient procurement capacity. One recurring problem is the borrower's lack of familiarity with the Bank's procurement procedures, even though many projects have designed special sessions on procurement as part of the project launch. Procurement effectiveness can be enhanced through the clear explanation of Bank procurement guidelines,

the dissemination of good practices in procurement, and the development of procurement capacity.

*Bank Supervision.* More than half the projects reviewed discussed the issue of project supervision in some detail. However, nearly a third of projects indicated poor Bank supervision during implementation. Evidence shows that Bank project supervision was generally undermined by inadequate resources. In some projects, supervision missions have also not been staffed by individuals with appropriate skills which has led to lack of attention to key impediments. For example, in some supervision missions, training policy reform and institutional development are given less attention as compared to civil works. Relatedly, in some cases, the lack of appropriate expertise in supervision teams, has affected the quality of assessment of project performance and led to unjustifiable project ratings in supervision reports.

### **C. Private Sector Participation in Supply and Demand**

The role of the private sector is important in training - both in the provision of training and employing the trainees. Recent experiences worldwide have shown that when VET policies are well designed, the private sector response has been positive (Gill, Fluitman and Dar, 2000). Governments are reconsidering their beliefs that the public provision of technical training is necessary because the private sector is “reluctant” to enter this field because of risks or costs. At the same time, it has been realized that strengthening the links between training and employment is crucial if the training provided is to be relevant to market needs. More attention is thus being focused on the need to involve employers in training decisions, and to create incentives for private employers to participate in training. Over the past few years, the Bank has also been attempting to incorporate both these types of components into their projects and these issues are discussed in more detail below.

### **BOX 12: REJUVENATING PRIVATE PROVISION OF TRAINING**

Many governments are trying to rejuvenate private provision of training because it is beneficial for labor market efficiency and fiscal sustainability. A recent study (Gill et. al., 2000) based on cross-country evidence highlights the following key issues as fundamental for encouraging private training providers.

- Unambiguous laws and regulatory framework about private training provision is key in harnessing private sector participation;
- Public funds need to be prudently used to encourage existing private providers in delivering relevant vocational training programs;
- Growth of relevant employment in training skill areas is a critical prerequisite for private suppliers to flourish;
- Accreditation scheme requirements and standards should not become a hindrance to increased private sector participation in training provision;
- Unplanned public provision may crowd out private supply of training.

#### *(i) Private Provision of Training*

In most developing countries, VET traditionally has been the exclusive domain of the public sector. This has often led to supply-driven and poor quality training due to financial and capacity constraints. These pressures have forced governments to seek the support of the private sector in the design and the provision of training (see Box 13).

Our review of projects shows that over-reliance on the public sector as the primary provider and financier of training has led to a crowding out of private providers and has often resulted in training that is neither cost-effective nor demand responsive.

When VET policies are designed to encourage rather than replace the private sector (either private training providers, NGOs, or public-private partnerships), a vigorous private supply response can be forthcoming. Bank projects have increasingly begun to focus on the role of the private sector in the provision of demand-driven training – either through policy related support or even direct financial assistance. Some projects have achieved this objective by supporting increased competition between public and private training providers. For example projects have assisted with the formation of authorities that are responsible for the coordination of public and private vocational training systems (see Box 13).<sup>15</sup> Other projects

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<sup>15</sup> Training funds, which have been mentioned in Section II, have also been often designed to ensure that funds are available to those providing most demand-relevant and cost-effective training regardless of whether the provider is in the public or private sector.

have supported the private sector by financing upgrading of equipment and facility in select high quality private training establishments.

**BOX 13: TRAINING COORDINATION**

In order to improve the efficiency of training, the *Morocco Second Vocational Training Project* supported increased competition between public and private training providers. The project established a Vocational Training Administration which was assigned the responsibility of coordinating public and private vocational training systems, thereby improving the quality and relevancy of training. The project aimed at strengthening its planning and management capacity to enhance this role. While this has proven to be a difficult objective to achieve as the agency did not have the adequate budgetary means to directly cause private sector training development, appreciable inroads were made in increasing private sector participation in training provision.

**(ii) Linkages with Employers and Beneficiaries**

One of the main problems facing public VET systems worldwide is their lack of demand responsiveness. For any strategy to be successful, close links with employers and other beneficiaries of training should be developed so that the system can respond rapidly to changing needs. Recently there has been greater emphasis in Bank projects to develop these linkages and improve the demand orientation of VET systems. This has been done successfully either through involving employers and beneficiaries as part of an advisory body during project design and implementation or assisting in establishing links between the training centers.

For example, some of the projects reviewed promoted close dialogue between the government and industry and trade organizations on training systems which ensured that courses offered by the training institutions were relevant, contributing significantly to improved quality of training and employability of graduates (see Box 14).

In other projects, committees comprised of employers, workers,

**BOX 14: BUILDING EMPLOYER - TRAINING INSTITUTION LINKAGES**

In the *Philippines Vocational Training Project*, a Task Force Advisory group was formed by the National Manpower and Youth Council (NMYC) to act as a consultative body for project formulation. This body was composed of recognized leaders from private industry and the government. The primary aim of the body was to advise training design and delivery with close attention paid to ensuring that the training being offered was flexible and relevant to the needs of prospective employers.

Industry and government began to collaborate on financing of in-service training and formulation of training plans. Evidence points to this resulting in training having become more demand-driven and cost-effective.

trainees and training providers have been formed, which play a critical role in guiding curriculum design and helping graduates with job placement. For example, one of the common ways in which demand and supply factors have been brought together is through the apprenticeship system. Similarly, in *Tunisia's Second Employment and Training Project*, institution-based training centers were converted into enterprise-based training centers which provided training relevant to their employees needs and led to an expansion of the apprenticeship system. Although numerous models of apprentice schemes have been developed with varying degrees of success, strengthening the relationship between government, employers, training providers and trainees is one area most programs have usually been successful in achieving.

#### **D. Monitoring and Evaluation**

OED and QAG have found that monitoring and evaluation (M&E) is weak in projects in most sectors in the Bank. Their studies indicate that project designs do not adequately consider how M&E data will be collected and analyzed or the incentive and capacity of the borrower to do so. This has often resulted in weak implementation of M&E by the borrower. As is also evident in our sample, there is a lack of emphasis placed on M&E - both in terms of developing systems and implementing them.<sup>16</sup>

The role of the government in regulating and financing training has undermined their role as providers of information about the availability and effectiveness of vocational programs. An expansion of this role may be one of the most effective ways for governments to foster the development of a relevant and cost-effective VET system. Better information about VET programs will help policymakers design relevant VET policies and interventions. Furthermore projects which had sound M&E systems have been able to diagnose the causes of implementation bottlenecks and address them in a timely manner.

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<sup>16</sup> Past Bank portfolio reviews have revealed that less than 40 percent of projects had sufficient M&E. In addition, the review indicated that M&E implementation fared no better than the M&E record at appraisal – only 28 percent of projects had modest or effective M&E activity (OED, 1996).

**BOX 15: BENEFITS OF MONITORING AND EVALUATION**

One main objective of the *Mexico Manpower Training Project* was to strengthen the labor market monitoring and analysis capacity of the Secretariat of Labor and Social Welfare by enhancing the capabilities of staff and the performance of the information system. The achievement of project outcomes was significantly improved by the use and analysis of labor market information collected by the Secretariat. Several labor market surveys and studies were conducted in order to identify the needs and issues of key industries, sectors, and regions. The LMIS also allowed for the incorporation of data obtained by the Secretariat of Education and National Institute of Statistics. The availability of reliable and up-to-date information greatly contributed to the decision-making and policy formulation ability of the Secretariat. An evaluation of the project's labor retraining program was also conducted by drawing on data collected through the monitoring system.

Our review indicates that while Bank projects have attempted to put in place one or more alternative evaluation schemes and there have been success stories (see Box 15), they often run into problems:

- *Lack of ownership* - Project components are not often linked to national training policy priorities consequently resulting in few incentives for implementing M&E;
- *Inadequate development of key performance indicators* - Qualitative and quantitative indicators to assess project effectiveness are not clearly defined. For example, indicators developed for assessing project performance may not be linked to specific project outcomes;
- *Lack of an evaluation culture* - In many countries, due to the low capacity to carry out evaluations, policymakers may often not be conversant with the importance of conducting evaluations (and how they can improve policy design) and the techniques used to conduct such evaluations.
- *Excessive emphasis on infrastructure* - Training projects have often placed excessive emphasis on providing equipment without strengthening the capacity to collect and analyze evaluative information. Whenever project M&E was integrated into the work of the sector data collecting agency, M&E was often carried out effectively;
- *Inadequacy of M&E design* - Both the design of appropriate M&E tools and processes at appraisal and their use at implementation has often been found to be deficient. In some of the projects reviewed, issues pertaining to how and when data on key indicators (e.g. employment and wages of trainees) would be collected, analyzed and fed back into policy are not clearly specified;

- *Implementation of ad hoc studies* - Tracer studies, participatory studies and surveys are sometimes carried out when information is lacking, rather than through the development of a permanent monitoring system.<sup>17</sup> Often these studies are unable to answer questions on program impact – have outcomes for participants (e.g. in terms of earnings and likelihood of employment) improved relative to those who did not get training, as a result of the training program.
- *Weak technical assistance* - Training of staff responsible for M&E issues is often given low priority and sometimes did not benefit appropriate personnel. Often M&E is carried out by statistical agencies who are not provided adequate support and technical assistance to carry out the task;
- *Limited feedback into policy/programs* –Even when M&E data are available, mechanisms through which this data can be channeled back into the system to affect changes in training policy or the design of specific programs, are seldom well-developed; some of the principles that should be followed when developing a sound evaluation system for training are outlined in Box 16.

**BOX 16: PRINCIPLES OF A SOUND EVALUATION SYSTEM**

- VET program analysis should be done using a variety of scientific evaluation methods;
- Evaluations should consider a broad range of outcome measures (e.g., occupations, displacement impact, qualitative outcomes);
- Evaluations should consider both short-run and long-run impacts of programs;
- Evaluations should not only be concerned with the efficiency related-outcomes of programs but also their impact on equity;
- Evaluations should be viewed as a continuous and long-term activity, one that requires longevity to become more influential and sophisticated over time;
- Evaluation of VET programs should never lose sight of labor market outcomes of these programs and the processes leading to these results;

*Source Adapted from Grubb and Ryan (1998).*

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<sup>17</sup> Many ICRs have been forced to rely on ad hoc studies/data to complement the lack of M&E data to evaluate project impact. Hence data on performance of training related interventions is often very sketchy.

#### **IV. Conclusions**

As mentioned in section I, our review examined 55 projects in the VET sector that were either ongoing or completed during the 1990s, to try and evaluate: how the Bank has performed in its lending services to its clients in this area; how training projects have performed in terms of meeting stated objectives; and what factors have led to the success or failure of our operations in this sub-sector. This analysis was carried out through a review of PADs, ICRs, supervision reports and OED evaluations. Despite reviewing implementation performance and concerns, this review has not shed much light on how to best design specific components within a project to achieve stated objectives. This is mainly because of the lack of evaluative evidence on the effectiveness of different interventions in our primary data sources – implementation completion reports and project status reports. Bringing out relevant innovative and "good practice" approaches based on international good practice in some of these areas will be the scope of our future work.

On the whole, 70 percent of the VET portfolio was considered satisfactory when evaluated against development outcomes. Almost half of the projects had a very high likelihood of sustaining project benefits. Almost 40 percent of the projects showed substantial institutional development. In 90 percent of the projects, borrower performance was considered satisfactory, although this declined when considered against implementation and compliance with legal covenants. In addition, Bank performance at project identification was almost always rated as satisfactory but it declined when considered against appraisal and supervision. Broadly speaking, the performance of the VET portfolio has not differed significantly than that of the overall project portfolio during the same time period.

While some lessons are general and can apply to projects outside the VET sector, our study also found lessons relevant to VET. These include:

***Sound Economic Analysis.*** Project justification needs to be based on sound economic analysis, including examining questions of medium-term skill needs and the impact of training reform on labor market efficiency and the economy as a whole. Projects have rarely conducted a thorough economic analysis.

***Decentralized and coordinated project management.*** Devolution of management and financial responsibility to training institutions (while ensuring accountability) benefited the training system in terms of institutions being more responsive to the needs of the labor

market, cost-effective provision of training and more flexible execution of project activities. Project implementation agencies were usually well-coordinated with Ministries which often maintained authority over budgets and investment decisions and monitored project operations. A coherent coordination framework and good coordination practices between agencies involved in the administration of VET as well as between Ministries and project implementation units facilitated both policy formulation and project implementation.

***Role of the Private Sector.*** Traditionally, the public sector has played the role of both a provider of training as well as a financier - this has often led to training that has been supply-driven, cost-ineffective, and unsustainable. Hence, some of the more recent VET projects have addressed the overbearing role of the public sector through regulatory measures and specific financial assistance aimed at encouraging private training providers to supply relevant skills to the labor force. Our review also clearly shows that whenever projects have succeeded in building close linkages between employers and the training system, the resultant training has become cost-effective and relevant to the needs of the market.

***Stakeholder Participation.*** Relatedly, there is need for broad consultations and stakeholder participation throughout the project cycle. Lack of broad-based consensus and consultations contribute to a lack of ownership of project outcomes and lack of commitment in project planning and execution leading to a lower likelihood of project sustainability. Design and implementation of projects can benefit from regular consultations among and between the main sets of actors - relevant government agencies and institutions (inter-agency coordination), the private sector, beneficiaries and donors.

***Financing of VET.*** Projects are also turning to training funds as a source of targeted financial assistance to employers and training institutions to increase flexibility in responding to periodic training needs. Preliminary lessons seem to suggest that the experience with these funds has generally been positive in leading to increasing the demand-responsiveness of training and making the playing field more level between public and private providers of training. However, it is clear that setting up such funds requires a strong administrative structure, agreement among policymakers on the rationale, purpose and benefits of the fund, and management and financial autonomy in the operation of the fund.

***Training for the informal sector.*** Projects have had some success in providing training services to the informal sector, e.g. self-employed persons, micro and small

enterprises, master craftspeople and apprentices. However it is not clear whether these interventions have been cost-effective or are sustainable. For such interventions to be successful, employers should define and select the training they want. Furthermore, this also requires adequate efforts at outreach, including appropriate dissemination of information and NGO involvement and field presence. In many projects, implementation has been slowed owing to the difficulty in providing information on the training services to a diverse informal sector target group.

***Relevant monitoring and evaluation.*** Poor monitoring and evaluation has been a drawback in almost all projects. To ensure that policymakers can assess the effectiveness of programs in order to decide how to design them better, appropriate monitoring and evaluation instruments – both qualitative and quantitative – which will assist in getting a clearer picture regarding the impact of training programs, need to be designed and mechanisms developed to ensure that the evaluative evidence is fed back to training policy making bodies.

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## **ANNEX I: 1989 Vocational Education and Training Investment Review**

Middleton and Demsky (1989) analyze World Bank lending for vocational education and training (VET) over the period FY63-86 in order to identify useful lessons for future investments in the area. The review is limited to four types of vocational training: secondary, post-secondary, non-formal, and vocational teacher training, and is based on a sample of 121 VET components in 320 lending operations in the education sector. Particular attention was paid to ensure that the sample was representative across training modes, regions, and country income levels.

The authors use information from Bank project appraisal and completion documents, sector studies, and staff interviews to investigate the following five issues: (1). the character of investments in VET (cost, type of training, overall implementation performance); (2). the major elements of investment design; (3). strategies used in developing national training systems; (4). the performance record of the VET components and institutions; and (5). important factors that contributed or inhibited project performance.

**Character of VET investments:** The authors find that project size and components varied with the income level of countries; projects and components in Africa were the smallest while those in Asia were the largest. Project performance measured in terms of project time overruns and institutional performance was more alike across regions and country income levels, with projects in Asia and EMENA followed by LAC faring best . Overall, the sample was characterized by a slight project cost under-run, but the average implementation delay was no worse than for primary education projects over the same period. Similarly, institutional performance for the sample was comparable to education projects in general. Investment costs in institutions varied significantly across training modes, regions, and country income levels; costs were significant in Africa and in low-income countries.

**Investment Design:** The authors establish that the economic rationale for many of the VET project components are based on general manpower requirement forecasts rather than short or medium-term labor market demand factors. They however state positive change in later investments of middle-income countries. Generally, VET components were not targeted to assist disadvantaged groups with their training needs. The authors note the importance of sector analysis in informing policy and institutional development, citing weaknesses in this respect in Africa relative to other regions.

**Development of National Training Systems :** The authors find that middle-income countries were by and large involved in the development of coherent national training systems based on non-formal modes in which strengthening the links between training and employment was key. These systems were either managed by autonomous or quasi-autonomous training agencies or Ministries with training responsibilities appropriately divided between Education and Labor Ministries. Decentralized administration was also used to improve the demand responsiveness of training, but VET investments were at times impaired due to insufficient readiness. Training system development lagged in Africa due to the lack of sustained investment in VET and the piecemeal approach of past project interventions.

## **ANNEX I: 1989 Vocational Education and Training Investment Review (cont'd)**

**Project Performance:** In general, lending operations in low-income countries, particularly those in sub-Saharan Africa fared poorly due to a number of reasons including poor economic conditions, and institutional and implementation weaknesses. This account is consistent for all training modes. Notwithstanding, secondary vocational training schools performed the best overall and across all income-levels mainly because of design simplicity and familiarity. Successful lending operations in middle-income countries were generally typified by coherent long-term VET policies, emphasis on expanding industrial employment, incremental development, demand responsiveness of training, private sector participation, policy and administrative capacity development, flexibility in curricula and institutional design, and alternatives to direct state financing.

## **Annex II: Sub-Saharan Africa Review of VET Projects**

Johanson's 2002 review covers 24 projects started or completed in the 1990s in SSA that include assistance for technical-vocational education and training (TVET). The review compares Regional support for TVET over the last decade with recommendations in the Bank's 1991 Policy Paper on TVET. The study addresses the following questions: (a) How have Bank-financed projects in SSA responded to the new policy on TVET?; (b) What have been the results?; (c) What lessons can be learned for the future from project experience over the past decade?; and (d) What recommendations can be made to improve Bank practices?

### **Responsiveness of TVET Projects to the 1991 Policy**

The Bank Policy Paper of 1991 recommended five areas in which Bank projects could support skills development, namely: improving economic analysis for training; strengthening primary and secondary education; encouraging private sector training; improving the effectiveness and efficiency of public training; and using training as a complement to equity strategies. How well did the education projects in the 1990s respond to this message?

#### **Analysis of economic context**

Bank projects generally tended not to provide adequate analysis of the economic context over the past decade. Few projects presented the implications of structural change and economic policies on skill requirements over the medium term, or mapped the impact of policies on the labor market, or provided economic justification through rate of return analysis.

#### **Strengthening primary and secondary education**

The Bank Policy Paper recognized that a good basic education is often the best vocational preparation. In the 1990s Bank investments have given overwhelming priority to basic education. Increased emphasis on basic education led the Bank and many countries to focus investments on primary and lower secondary education rather than on TVET. This was appropriate given the relative returns to investment. One consequence of the Policy was to invest less in expensive modes of delivery (lengthy pre-service training), invest less in expensive infrastructure, and devote greater attention to policy development.

#### **Encouraging private sector training**

It is helpful to divide this topic into two parts: private training providers, and employer training. In terms of private training provision, none of the cases reviewed analyzed the regulatory and other constraints on private training providers. The case for enterprise-based training was much stronger. Several projects analyzed constraints on investment in training by employers. None of the projects attempted policy or regulatory reforms to ease constraints on private training, as called for in the Policy Paper, but several financed private delivery through training funds. In these cases private sector trainers proved more adept at meeting immediate market needs than their counterparts in the public sector.

## Annex II: Sub-Saharan Africa Review of VET Projects (cont'd)

### Improving public training

In general Bank TVET projects strongly supported efforts to improve the effectiveness and efficiency of public training. A variety of means was employed, including adopting a market orientation, improving institutional responsiveness (which itself involves an array of interventions), building policy implementation capacity, using resources efficiently and diversifying funding mechanisms. Each is presented in sequence below.

*Links with employers.* Half the projects under review included mechanisms to link training better with employers. In some cases, the problem was not getting agreement for employer participation in training boards, but putting it into operation. In general, successful cases involved incentives for employers to become closely involved – in terms of control over funds or management. The less successful cases were councils in which employers had little authority.

*Better institutional responsiveness.* Better institutional responsiveness to market forces was sought in four areas: a shift away from formal technical-vocational schools, establishment of new financing mechanisms to stimulate supply responses, development of labor market information systems (LMIS) and decentralization of responsibilities. These are explained below.

(a) *Pre-Service TVET vs. In-Service Training.* In comparison with the past, Bank projects de-emphasized support for lengthy, formal pre-service training in favor of short, focused in-service training. Competition for funds proved to be a useful instrument and led indirectly to greater supply responsiveness by public institutions.

(b) *Financing mechanisms.* New financing mechanisms were introduced in projects to prompt more flexible supply responses. These included the financing of training funds and training vouchers. The experience with training funds was generally positive. However, preparation of a training fund required detailed preparation, including agreement on the rationale, purpose and benefits of the fund. Management and financial autonomy are essential requirements. Tripartite structures often work well provided that employers have a major voice. Linking training funds with training councils seems to be a good marriage. Evidence on vouchers was limited.

(c) *Labor market information systems.* LMIS and “observatories” became instruments of choice in virtually all projects. Results have been disappointing due to implementation problems. Observatories depend on others for information and this requires cooperation across boundaries. Dynamic leadership is required to keep information up to date. Observatories may not have much value in informal markets that do not appear to suffer from market failure of information.

## **Annex II: Sub-Saharan Africa Review of VET Projects (cont'd)**

*(d) Developing capacity for policy implementation through management structures.* Most of the projects in the review group provided assistance to strengthen national agencies. However, the experience was not very successful. The finding here underscores a well-known lesson, namely, the difficulty of achieving lasting institutional development. Careful planning and government commitment are essential for long term success.

*(e) Diversify sources of financing for TVET.* Constraints on public funding mean that contributions from employers and trainees have to be increased. Several projects sought to study the feasibility or implement the application of levies on employers for training purposes. The levies were collected, but were never used for training: the funds were re-directed to other needs by the central financial authorities. These experiences illustrate the risk that levies proceeds may be misappropriated by financially-strapped authorities. Direct transfers from treasury to the training fund, bypassing the government finance ministry, worked best. Some cases were successful in increasing cost recovery from trainees.

### **Training as a complement to equity strategies**

Most projects provided some targeted assistance for women, but few explicitly provided targeted training in non-traditional skills for women. Bank projects responded in a major way to support informal sector training. Most projects explicitly provided for training in the informal sector. Projects appear to be relatively successful in providing training services to the informal sector, e.g. self-employed persons, micro and small enterprises, master craftspeople and apprentices. However, the costs of the interventions have not been related systematically to the effects. Moreover, sustainability of training for the informal sector also seems to be an open question. The review identified principles of good practice. Employers should define and select the training they want. Serving poorer clientele in the informal sector requires adequate efforts at outreach, including appropriate dissemination, NGO involvement and field presence.

### **Monitoring & Evaluation**

Projects generally performed poorly in establishing effective systems of monitoring and evaluation, but currently active projects do better than the completed projects. Three current projects, in particular, provide for extensive field surveys. These are impressive improvements over earlier practice. However, the tracer studies focus exclusively on outputs, outcomes and benefits. They do not relate the benefits achieved to the costs of producing them. No evidence was found in this review of attempts at relating costs to outputs and impact using information produced from the projects. Similarly, none of the projects reviewed seems to pay sufficient attention to quality assurance of training outcomes.

### **Main Conclusions & Recommendations**

TVET projects in Sub-Saharan Africa in the 1990s were responsive to the prescriptions of the 1991 Bank Policy. Projects shifted towards in-service training and the informal sector, used non-public delivery systems in many cases, and employed financial incentives to stimulate greater responsiveness in the public sector. In the future, the Bank should:

## **Annex II: Sub-Saharan Africa Review of VET Projects (cont'd)**

- Develop guidelines for the analysis of the economic context of TVET programs;
- Analyze the incentives and constraints on the development of private training markets;
- Expand the use of financial incentives to induce flexible supply responses;
- Conduct a study to (a) determine whether observatories should be included in projects and, if so (b) prepare guidelines on their design that take into account their complexity;
- Explore different ways to mobilize resources in view of the frequent misappropriation of training levies and the limited ability of trainees to pay in the informal sector;
- Encourage future projects to include impact surveys on outcomes and benefits of training, but extend the scope to include the costs and sustainability of such training; and
- Greatly strengthen monitoring and evaluation systems to provide information systematically on the cost effectiveness of alternative training interventions.

### ANNEX III

Country	Project	Start year <sup>1</sup>	End year <sup>2</sup>	Total cost (in millions US\$)		Bank's share (in millions US\$)	
		FY	FY	Planned	Actual <sup>3</sup>	Planned	Actual <sup>3</sup>
<b>Africa</b>							
Cameroon	Educational and Vocational Training	1988	1994	61.2	9.7	30.1	8.8
Cape Verde	Basic Education and Training	1995	Ongoing	11.5	11.5	11.5	11.5
Cote d'Ivoire	Labor Force Training Support	1995	2000	19.5	19.5	17	17
Cote d'Ivoire	Education and Training Support	1999	Ongoing	82.8	82.8	53.3	53.3
Ghana	Vocational Skills and Informal Sector Support	1995	2001	10	10		
Kenya	Micro and Small Enterprise Training and Technology	1995	Ongoing	24.2	24.2	21.83	21.83
Madagascar	Manpower Training	1992	1997	20	20		
Mali	Vocational Education and Training Consolidation	1997	Ongoing	22.9	22.9	13.4	13.4
Mauritania	Technical Education and Vocational Training Support	1994	Ongoing	16.4	16.4	12.5	12.5
Mauritius	Industrial and Vocational Training	1993	1999	7.7	5.59	5.4	3.27
Mozambique	Education and Manpower Development	1989	1997	17.85	17.95	15.86	16.34
Togo	Technical Education and Vocational Training	1991	1998	15.73	9.2	9.15	8.84
<b>East Asia and the Pacific</b>							
China	Vocational and Technical Education	1991	1997	91.0	90.9	50.0	53.7
Indonesia	Manpower Development and Training	1987	1995	91.0	53.9	58.1	53.9
Indonesia	Skills Development	1994	1999	39.7	39.7	27.7	18.0
Malaysia	Second Industrial Training	1985	1993	121.0	58.3	73.3	35.7
Philippines	Vocational Training	1983	1992	41.7	23.1	24.4	14.9
Philippines	Second Vocational Training	1993	2000	41.8	41.8	36.0	36.0
Solomon Islands	Third Education and Training	1994	2000	16.9	16.9	16.9	16.9
South Korea	Vocational Education	1992	1996	43.3	61.7	30.0	29.6
South Korea	Vocational Schools Development	1993	1998	48.4	48.4	30.0	30.0

**ANNEX III (cont'd)**

Country	Project	Start year <sup>1</sup>	End year <sup>2</sup>	Total cost (in millions US\$)		Bank's share (in millions US\$)	
		FY	FY	Planned	Actual <sup>3</sup>	Planned	Actual <sup>3</sup>
<b>Europe and Central Asia</b>							
Hungary	Youth Training	1998	Ongoing	55	60.1	36.4	36.4
Hungary	Youth Training	1998	Ongoing	55	60.1	36.4	36.4
Portugal	Manpower Training and Development	1985	1993	54.92	23.82	30.5	9.05
Turkey	Industrial Training	1984	1991	44.4	52.44	36.8	36.37
Turkey	Non-formal Vocational Training	1987	1996	71.1	72.2	58.5	54.4
Turkey	Second Industrial Training	1988	1998	165.8	171.7	115.8	113.5
Turkey	Employment and Training	1993	2000	107.4	107.4	67	67
<b>Middle East and North Africa</b>							
Algeria	Vocational Training	1988	1997	101.3	42.1	54	n.a
Djibouti	Manpower and Education Development	1991	1996	7.53	8.01	5.83	6.55
Egypt	Vocational Training	1983	1993	79.3	45.82	38	17.62
Jordan	Manpower Development	1986	1993	18.3	13.94	10.2	7.47
Jordan	Training and Employment Support	1999	Ongoing	6	6	5	5
Lebanon	Vocational and Technical Education	1999	Ongoing	68.9	68.9	63	63
Morocco	Vocational Training	1985	1992	44.09	42.83	27.14	23.03
Morocco	Second Vocational Training	1987	1994	27.97	32.96	22.36	21.94
Morocco	Third Private Sector Development Project : In-Service Training	1997	Ongoing	95.3	95.3	23	23
Tunisia	Education and Training Sector Loan	1989	1997	183	171.7	95	93.1
Tunisia	Employment and Training Fund	1991	1996	34.7	21.3	12	11.71
Tunisia	Second Training and Employment	1997	Ongoing	104	104	60	60
Yemen	Vocational Training	1997	Ongoing	59.8	59.8	24.3	24.3

### ANNEX III (cont'd)

Country	Project	Start year <sup>1</sup>	End year <sup>2</sup>	Total cost (in millions US\$)		Bank's share (in millions US\$)	
		FY	FY	Planned	Actual <sup>3</sup>	Planned	Actual <sup>3</sup>
<b>Latin America and the Caribbean</b>							
Barbados	Second Education and Training	1986	1993	37.6	52.2	10	8.4
Brazil	Technician Training Sub-sector	1984	1991	45.41	65.56	20	13.54
Brazil	Skills Formation	1987	1996	166.36	37.42	74.5	11.93
Ecuador	Second Vocational Training	1983	1991	33.39	22.01	16	15.8
Ecuador	First Social Development Project : Education and Training	1992	Ongoing	118.7	118.7	89	89
Haiti	Fourth Education and Training	1985	1992	25.4	16.54	10.44	8.25
Mexico	Second Technical Training (Second CONALEP)	1985	1992	162.22	164.41	81	81
Mexico	Manpower Training	1988	1994	156	145.5	80	80
Mexico	Technical Education and Training Modernization	1996	Ongoing	334.8	412	265	235
The Bahamas	Second Technical and Vocational Training	1989	1995	17.4	14.13	10	7.3
Trinidad and Tobago	Education and Training for Youth Employment	1992	1999	31.9	25	20.7	15.5
<b>South Asia</b>							
India	Vocational Training	1990	1999	170	175	280	109.82
Maldives	Second Education and Training	1995	Ongoing	17.9	17.9	13.4	13.4
Pakistan	Second Vocational Training	1987	1997	98.13	110.36	40.2	38.84
Sri Lanka	Second Vocational Training	1986	1997	24.48	28.5	15	13.88

<sup>1</sup>The start year is the fiscal year in which the loan was made effective.

<sup>2</sup>The end year is the fiscal year in which the loan was closed or is expected to be closed.

<sup>3</sup>The actual figures for ongoing projects are as established in respective project supervision reports examined.

Sample size=53; 33 completed projects and 20 ongoing projects.

Data sources: Project Appraisal Documents, Project Supervision Reports, and Implementation Completion Reports.