

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA18698

Project Name	Higher Education Support Project (P151318)
Region	AFRICA
Country	Mali
Sector(s)	Tertiary education (70%), Vocational training (30%)
Theme(s)	Education for the knowledge economy (80%), Other human development (20%)
Lending Instrument	Investment Project Financing
Project ID	P151318
Borrower(s)	Ministry of Economy and Finances
Implementing Agency	Ministry of Higher Education and Scientific Research
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	14-Jan-2015
Date PID Approved/Disclosed	29-Jan-2015
Estimated Date of Appraisal Completion	02-Feb-2015
Estimated Date of Board Approval	26-Mar-2015
Decision	

I. Project Context

Country Context

1. Mali is on the path to recovering from the political and security crisis of 2012 – one which began with insecurity in the North leading to a rebel attack in December 2011 and the seizing of the three main northern regions of the north. This was then followed by a coup d'état in March 2012 and the establishment of a de facto military government which resulted in the suspension of support from major donors which had a significant negative impact on the economy. With the return of the support of the international community, the country has returned to relative normalcy with a President and a National Assembly democratically elected in 2013 and an ongoing peace negotiation process in Algiers. There is, therefore, the prospect for a peace agreement soon. It would be critical to be able to provide, as soon as possible, more economic opportunities for young Malians, and greater institutional capacity building. However, the context remains challenging with high levels of insecurity, with regions in the north very unsafe (particularly rural areas). While national institutions are in place, there is a significant need for sustained support to promote capacity-building and strengthening of these institutions following the crises and in light of the current fragile country context.

2. While the rate of poverty had declined in the country from 55.6 percent in 2001 to 43.6 percent in 2010, it increased to 46.1 percent in 2012, mainly as a result of climatic changes and the

political crisis. The prevalence of poverty today is high, particularly in rural areas where almost three-quarters (73 percent) of the country's population resides (whose livelihood depends largely on agriculture and livestock). In rural areas, the poverty rate is estimated at 57.6 percent. In addition to the country's vulnerability to exogenous shocks, degradation of soil and climate change are major concerns, since the majority of Malians' livelihoods (herding, farming, and fishing) depend on the environment. The combination of climate change and degradation of resources has resulted in food insecurity and malnutrition among the population, which has further contributed to high poverty rates.

3. Though the country experienced sustained economic growth (averaging five percent annually between 2006 and 2011), Mali's gross domestic product (GDP) declined during the crisis. However, it was able to rebound only two years later in 2013 (to US\$667) to its 2011 levels. Mali's economy relies on its natural resources and a number of key sectors for its economic growth. Gold, for example, plays a critical role in the country's economy, accounting for six percent of GDP, 70 percent of exports and 15 to 20 percent of government revenue. The recent and rapid increase in mining production and exports coupled with a higher volume of cotton exports and an increased output and productivity in rice production for domestic consumption together have been key determinants of Mali's steady economic growth since 2001.

4. The sectors which contribute the most to GDP in Mali are agriculture (21.9 percent); trade – notably in the informal sector (16.6 percent); livestock (9.7 percent); and mining (5.7 percent). These sectors employ roughly 80 percent of the labor force, with the skilled workforce coming predominantly from neighboring countries. The most important sectors in terms of their contribution to GDP (i.e., agriculture and livestock) are concentrated mainly in rural areas where, as previously mentioned, the large majority of the population is poor and vulnerable. The political and security crisis severely impacted the economy with a substantial deterioration in social services, thus increasing the country vulnerability to various shocks (security crisis, climatic, pests, and commodity prices). These were even further exacerbated by deeply rooted obstacles to growth, including a poor investment climate, deficient infrastructure, and most importantly, inadequate and limited skills among young workers.

5. Given the growing demographic pressure (with high population growth rate and large number of youth) and the country's fragile context as described above, there is an urgent need to: (i) better prepare youth in Mali with the skills needed to take advantage of employment opportunities and to improve their productivity; and to (ii) further prepare the workforce to support economic diversification and growth of the modern sector. With an estimated population growth rate of 3.3 percent annually and with around 20 percent of the population being between the ages of 15 to 24 (and 65 percent of the population being 24 years of age or younger), more is needed at all levels of education and training to provide the required academic, technical and entrepreneurial skills to the 550,000 new labor market entrants every year from 2030 onwards. Programs are urgently needed to respond to structural deficiencies that thwart Mali's economic diversification strategy, limit its productivity, and perpetuate its vulnerability to climatic changes. This will require addressing key constraints such as a lack of needed infrastructure, the poor investment climate and the limited skills among youth.

6. The Investment Climate Assessments and Surveys (ICAS) and the World Bank Doing Business Reports undertaken in 2010 (and in the years prior to this), highlight major constraints to business development including poor access to financing and land, complex import and export processes and logistics, weak institutional arrangements for private sector development and insufficiently skilled labor in sectors with the highest growth and employment potential such as agriculture, mining, and construction. In particular, a critical issue is the low level of qualifications among the workforce in the country's emerging formal labor market. By not adequately addressing

the needs of existing employers in the formal sector (who complain of difficulties in finding individuals with the needed skills), the potential for growth and diversification (including the growth of foreign investments and new businesses) is limited. Multiple challenges also exist in the informal sector specifically related to low workforce productivity. The existing mismatch between skills needed for the labor market and the skills of those looking for employment was further exacerbated by the crisis which resulted in many of the skilled workers (who can compete in the sub-regional market) to leave the country.

7. The recognition of this skills gap has led the Government to conclude that, without an ambitious skills development program that imparts entrepreneurial and labor skills commensurate with the requirements of a dynamic economy, it will not be able to implement an economic diversification strategy, compete in a globalized regional and world economy or escape the vicious cycle of drought, famine, insecurity and population displacement which have led to poverty and inequity. The Government's 2009 National Policy and Strategy for Higher Education Development, and the 2011 National Policy on Technical and Vocational Training were developed in response to these concerns. It is on this basis that the Government has been implementing World Bank-supported operation which aims at improving youth employability through education and training and private-sector led job opportunities and, to this end, strengthening public and private secondary technical and vocational education and training (TVET) institutions in key selected sectors and supporting dual apprenticeships programs and entrepreneurship. Similar efforts need to be undertaken at the level of tertiary education to complete the skills value-chain necessary for the upgrading of the economy.

Sectoral and institutional Context

8. Skills constraints in all sectors of the economy are largely the product of insufficient education and training and/or low quality of education and training in Mali. Between 2004 and 2010, Mali made significant progress in basic education: the primary education gross enrollment rate (GER) increased from 72 percent in 2004 to 82 percent mainly due to the momentum generated and maintained by the Millennium Development Goals (MDGs) agenda; access to secondary and tertiary education also increased from 12 to 34 percent, and from 4 to 5 percent, respectively, during the same period. However, progress was hampered by the impact of the crisis which affected social sectors, including education which experienced a significant decline in enrollment indicators: in particular the primary education GER declined to 69 percent in 2013, while the primary completion rate decreased from 58 percent in 2010 to 48 percent in 2013. Equity is also a concern with secondary and tertiary education benefitting largely the upper income quintiles.

9. Of even more concern are issues related to the low quality and relevance of learning at all levels of education, as illustrated by results of the 2011 national student assessment which showed that less than 20 percent of students completing six grades of primary school have the required skills, and highlighted poor labor market outcome indicators among upper secondary and post-secondary education graduates. Although declining along the life cycle, those graduates have unemployment rates close to 30 percent which, in combination with the modern sector's employers' complaints on difficulties in finding individuals with the right skills (for many occupations as per the ICAs, point to lack of relevance of education and training provided to the needs of the formal sector.

10. The issues described above are, in large, a result of poor teaching and an inadequate learning environment which are, to a large extent, symptomatic of pervasive inefficiencies in the utilization of resources and broader overall governance gaps in the education and training sector. As confirmed by the 2014 Report on the Future of Higher Education in Mali, these issues are

particularly pronounced in tertiary education, which is not fulfilling its role of provider of high level skills in Mali – greatly limiting the potential for economic diversification, productivity and growth.

11. The following provides a brief overview on the tertiary education sector in Mali and highlights some of its key features:

12. The Mali tertiary education sub-sector is largely public, with a number of universities and high level teaching institutions (technical institutes and grandes écoles) concentrated in Bamako. In 2011, the young but oversized University of Bamako created in 1995 was dismantled and four new universities were created based on the existing overcrowded faculties: namely, the University of Social Studies and Management (L'Université des Sciences Sociales et de Gestion de Bamako-USSGB); the University of Science and Technology (L'Université des Sciences, Techniques et Technologies de Bamako-USTTB); the University of Social Studies and Humanities (L'Université des Lettres et Sciences Humaines de Bamako-ULSHB); and the University of Law (L'Université des Sciences Juridiques et Politiques de Bamako-USJPB). Overall, the public Higher Education Institutions (HEIs) comprise five universities (the four new universities in Bamako and the University of Segou (L'Université de Ségou-UOS) created in 2010), and four technical institutes and grandes écoles, with a total of approximately 110,000 students in 2012-2013, while the 70 approved private HEIs cater to an additional 5,000 students. Eight out of the nine HEIs are located in the capital city and account for 99 percent of students.

13. The Tertiary education system lacks of institutional, program and degree diversification: Enrollment in public HEIs accounts for more than 95 percent of total enrollments at the tertiary level, thus becoming a de facto monopoly, and more than two-thirds of students are enrolled in Law and the Humanities. The lack of private options and limited provision of Science, Technology, Engineering, and Math (STEM) courses (skills), symptomatic of a poor regulatory and information framework and weak university governance, greatly constrains the supply of skills available to key sectors of the economy. There are also an insufficient number of opportunities to obtain short technical degrees that lead to professionalization. Increasing Science and Technology (S&T) offerings and introducing new and better programs and degrees, while fostering higher participation of private HEIs, would help HEIs respond to challenges related to relevance and quality.

14. The tertiary education system's institutional and program licensing process constrains quality and relevance of courses: The HEI accreditation process uses external resources such as the Conseil Africain et Malgache de l'Enseignement Supérieur (CAMES) to deliver accreditation of institutions which are valid for few years and renewable. Until now, only a few private HEIs have undergone the accreditation process which has allowed them to receive national recognition and attract more international students. However, after the first accreditation, no renewal has been requested after the four years. Program licensing is ruled by a 2006 Decree, which defines an independent national body appointed by the MoHE. It operates under the Direction Générale de l'Enseignement supérieur et de la Recherche Scientifique (DGESRS). The independent body – the Commission Nationale d'Habilitation – analyzes the information provided by the requesting HEI and makes a recommendation to the MoHE. The limited monitoring of programs implemented by the MoHE and the DGESRS limits the incentive of HEIs to renew their programs and adapt them to the evolving labor market.

15. Pedagogical inputs and innovation are limited: There is inadequate emphasis on pedagogical inputs such as books and scientific documentation, information and computer technology (ICT), laboratory equipment and supplies, research activities, staff recruitment and development, and investment in infrastructure. The situation is compounded by uncontrolled admissions which, adding to the high repetition rates during the two first years of schooling, results in overcrowding.

16. Private premises were rented in most cases to host the new universities exacerbating the

overcrowding of universities, which has led in many cases to low internal efficiency. For example, the most crowded university (USJPB – which provides training in Law), had 30,000 students enrolled in 2012/2013 while the UOS had 846 students with a first year failure rate above 80 percent. In 2013, the Government paid FCFA650 million (US\$1.4 million) to rent space to hold courses (lectures) (as available space was inadequate).

17. Accounting for all teachers including secondary teachers (which account for more than 50 percent of tertiary education teachers), the teacher-student ratio stood at 1:160 in 2012/2013. A better allocation of resources and enhanced institutional diversification (see below) would enable HEIs to improve the teacher-student ratio to reasonable levels and acquire pedagogical inputs so as to increase internal and external efficiency and improve the country's public financing of higher education.

18. To date, there is no comprehensive staff development plan to meet the present and future teaching needs and quality requirements. There are a few trained PhD graduates who benefitted from uncompetitive distributed bilateral scholarships, but attempts to create graduate programs at the former University of Bamako have been frustrated by the lack of a critical mass of qualified faculty to run graduate programs as well as the absence of an atmosphere conducive to research. This is compounded by capacity and information gaps at the system level. Training faculty and post-graduate students to become qualified teachers while building partnerships with international HEIs such as those participating in the African Center of Excellence (ACE) would support the introduction of greater innovation and enhance pedagogical inputs.

19. The sector is plagued by systemic and institutional governance gaps: The lack of pedagogical inputs is indicative of poor resource utilization. Indeed, the bulk of the budget is allocated to students' welfare and extra teaching hours at the expense of pedagogical inputs. This is due, in part, to a scholarship system that absorbs the largest share of the sub-sector budget. The scholarship budget accounted for 56 percent (FCFA18.5 billion, equivalent to US\$40 million) of the total higher education budget in 2013. It has been increasing at an unsustainable rate (10 percent annually) due to the rapid growth of high school graduates that are admitted automatically to the university and granted a scholarship (independently of income), and the lack of a management system to effectively monitor enrolments and scholarship provision. In addition, supplement paid for additional teaching hours accounted for more than FCFA2 billion (US\$4.2 million) in 2013. The existing admission and scholarship policies increase the lack of accountability of faculties and HEIs leading to poor management, which impact severely on the quality of learning, thus leading to unemployment of graduates. Improving the financing structure would allow HEIs to increase their own budgets for pedagogical inputs and innovations.

20. Additionally and related to the above, there are no performance standards for HEIs, they have limited institutional autonomy (although a reform on this aspect is on-going), and are not accountable for results. University rectors and institute directors are appointed by the Government; they report to the Minister of Higher Education instead of the Board of the university/institutes (members of which are civil servants appointed by the Government). Deans are elected by teachers; thus university rectors have limited power for deans to cater to the university interests. All important issues are dealt with at the government level as the university and the institutes cannot engage in business, and make investments and/or personnel decisions such as hiring, firing, determining compensation, conducting consequential evaluation of performance, etc. Therefore, HEIs are part of the civil service administration and run as normal departments of the Ministry of Higher Education (MoHE). Recruitment of teaching staff is organized by the Ministry of Civil Service and the MoHE determines the academic schedule and admissions criteria for students are without taking into account availability of teaching staff and resource limitations. This situation has resulted in recurrent and long-lasting teacher and student strikes, reducing substantially the

academic year and negatively affecting learning outcomes. Improving institutional autonomy while increasing accountability would enable HEIs to professionalize their management and look for alternatives to increasing the internal collection of revenue (including, for example, by introducing student fees).

21. Finally, the higher education sector system suffers from the lack of a comprehensive regulatory and financing framework to support the development of private HEIs and university-industry linkages. Despite the existence of an accreditation system for private HEIs, there is no incentive or regulation in place to allow private HEIs to access land or financing facilities (private or public). Improving incentives for the participation of private HEIs would help Mali diversify its program offerings.

22. Government Efforts to Reform Higher Education: The Government of Mali (GoM) has developed and implemented a comprehensive ten-year program (2002-2013) (Programme décennal de l'éducation – PRODEC) which addresses the education sector bottlenecks while laying the foundations for sector quality improvement. With the closing of the ten-year program in December 2013, the sector has developed an Interim Program for the period 2014-2016, while drawing lessons from implementation of the program and conducting a full sector review to develop a new program. In 2011, the GoM requested support from the World Bank to assess HEIs and to develop a program to reform the sector. A project was developed and was at its appraisal stage when the coup d'état occurred in March 2012 and a de-facto government was put in place which led to the suspension of aid and project preparation. Within the process of project preparation, a study on HEIs governance was conducted, which concluded that the sub-sector and its institutions needed more autonomy and greater accountability in order to: (i) efficiently use allocated resources; and (ii) expand mobilization of resources through adequate responses to emerging needs. To support the GoM in developing a response, a legal framework and regulatory tools were developed and discussed among stakeholders, but it remains to be approved by the National Assembly.

23. In addition to discussing the status of the education system, the 2014 Forum on the future of higher education (supported by Economic Community of West African States-ECOWAS) also strived to forge a consensus on the necessary reforms. Participants in both forum and the 2008 National Forum on Education (NFE) recognized the negative impact that institutionalized, recurrent and de facto predictable strikes and poor governance have on the quality of education. These two meetings concluded that systemic changes were needed to: (i) improve quality and increase the internal efficiency and relevance of higher education; (ii) move away from the ritual of annual strikes, followed by lengthy negotiations and the signing of protocol agreements which contain financial obligations the Government cannot fulfill; (iii) put in place a financing system that is compatible with public finance parameters and has leveraging capacity to enable the expansion and performance of the higher education system; and (iv) introduce a regulatory framework that attracts private sector investment in higher education. The Government has prepared, as a follow up to the NFE recommendations, a National Policy on Higher Education and Scientific Research approved in 2010 that incorporates these principles but stills needs to be translated into an action plan for implementation.

24. Other Partners and World Bank Group Projects: the World Bank is currently providing support to the education sector through two operations: (i) The Emergency Education for All (EFA) Project in the amount of US\$41.7 million funded by the Global Partnership for Education (GPE) which aims to increase access and improve the learning environment for affected students due to the country's recent crisis; and (ii) the Skills Development and Youth Employment Project in the amount of US\$63 million, which focuses on supporting education and training programs for youth employability and private sector led job opportunities in Mali targeting basic and intermediate skills in economic sectors such as fruits and vegetables, animal products (meat, milk, and skin products),

construction, mining and auxiliary services, artisanal programs and ICT.

25. The Netherlands is in the process of implementing a five-year project (the Netherlands Postsecondary Education Capacity Building Project (NICHE)) in the amount of Euro 3 million, for the period 2014-2018. The NICHE aims at improving HEIs governance and diversifying in-service training opportunities. The NICHE will focus on eight public HEIs providing support to governance and management with an emphasis on gender, in-service training programs, and creation of enterprises. The project was launched in September 2014.

26. The Canadian Cooperation, through The University of Laval, is in the process of designing a non-solicited project aimed at improving resilience to food shortage. It is expected to include a component that will focus on improving relevance of programs in agriculture at the IPR of Katibougou along with four other TVET institutions. The process is in the inception stage. The African Development Bank (AfDB) and the United Nations Education, Scientific and Cultural Organization (UNESCO) have been partnering with ECOWAS and the University of Quebec at Montreal (UQAM) to support universities in participating countries, including Mali, to develop new programs in selected areas and develop eLearning system to provide quality learning and tools for greater access to tertiary education.

27. In this overall sector and strategic context, the proposed Higher Education Support Project (HESP) will support the development of high and intermediate level skilled workers needed to complete some critical value-chains in agriculture, livestock, and mining and auxiliary services, therefore enhancing the potential of Mali's economy for diversification, productivity and employment. The Project will complement and strengthen Bank-funded national and regional projects in agriculture, livestock including pastoralism in the Sahel, mining, skills development, electricity and communication, by supporting high level training programs in agribusiness and livestock, construction, communication, and engineering. Relevant IDA-funded projects (ongoing or under preparation) include: the Programme de Compétitivité et de Diversification Agricole (PCDA), the Projet d'Accroissement de la Productivité Agricole (PAPAM); the Projet d'Electrification Domestique et Accès aux Services Sociaux de Base (PEDASB), the Projet Régional d'Amélioration de la Productivité Agricole (WAAPP), the Projet de Télécommunication dans le Sahel (WARSHIP), and the Projet Régional d'Appui au Pastoralisme dans le Sahel.

28. The proposed higher education support operation will take advantage of the ongoing ACE Project to build synergies and foster more collaboration in key areas identified by HEIs in Mali including, among others: teacher training; curriculum design and implementation; and research.

II. Proposed Development Objectives

The development objective of the proposed Mali Higher Education Support Project (HESD) is to improve the relevance of selected higher education programs and the stewardship of the higher education system in Mali.

III. Project Description

Component Name

Component 1: Support to selected public HEIs

Comments (optional)

Component Name

Component 2: Higher Education system Support.

Comments (optional)

Component Name

Component 3: Project management and Technical Assistance

Comments (optional)**IV. Financing (in USD Million)**

Total Project Cost:	30.00	Total Bank Financing:	30.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			30.00
Total			30.00

V. Implementation

A. Institutional and Implementation Arrangements

29. The MoHE is the project implementing agency. It will have overall responsibility and accountability for project coordination and implementation.

Project administration mechanisms

30. The Council of Cabinet (Conseil de Cabinet) of the MoHE is the Project Steering Committee (PSC): The project will be aligned with this existing body to ensure synergy with existing programs and coherence with the National Policy on Tertiary Education (Politique Nationale de l'enseignement supérieur) and the Government's priorities for the sub-sector, and this body will serve as the Steering Committee for the Project. The PSC is the main decision-making body for the project. Its main role is to provide guidance and overall supervision of the project, and facilitate implementation by addressing issues that are found to hinder project progress. It is chaired by the Minister of Higher Education or his/her designee, and it comprises all Rectors, Directors of the Grandes Ecoles, and Directors of central units of the MoHE, including the Director General in charge of Higher Education, and the Secretary General of the Ministry. The PSC will meet twice yearly (in June and December) to review and approve the annual work plans, budget, monitoring reports and studies prepared under the project, propose solutions for identified problems and decide on the project's strategic direction. The project coordinator will represent the project and will be part of the Council of Cabinet to which it will report on progress and seek guidance once every three months.

31. The Project Technical Committee (PTC) will be chaired by the DGESRS. It will meet bi-monthly to review the annual work plan, monitor problems and provide solutions. The PTC will include the coordinator, heads of the planning, QA, and private sector units, the project technical coordinators and other members of the PMU. As the need arises, other staff of HEIs or units outside the MoHE will be invited for specific meetings.

32. Implementation agency. As the Project implementing agency, the MoHE will have overall responsibility for project coordination and implementation. The Ministry has appointed a Project coordinator and other key members of the PMU who are civil servants from key units of the Ministry. The PMU will consist of a project coordinator, an accountant, a finance officer, a procurement specialist and a procurement officer, a communications officer, coordinator of

Component 1 who is from the QA unit of the MoHE, coordinator of Component 2, and an M&E specialist, both from the planning unit, to facilitate the implementation of specific sub-components and major project activities, and support staff. In addition, the project will finance the top-up bonus for the technical coordinator of the Resource Center which hosts the database and the ICT infrastructure of the sub-sector. The accounting and procurement staff are from the Direction of Financial Services (Direction des affaires financières – DAF) of the MoHE to which they will return after the project. Thus the project will build the capacity of the DAF in project management, procurement and FM. The PMU is responsible for procurement and project FM, preparing annual work plans, quarterly and annual implementation and results reports, monitoring overall project implementation and ensuring compliance with safeguard policies. The project funds will pay part of the PMU civil servants' top-up bonus to be linked to staff performance to be assessed every six months.

33. Higher Education Institution: The four selected HEIs will have the implementing and fiduciary responsibility for implementing their annual institutional development plans under the oversight of the QA unit of the DGESRS.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04		x
Forests OP/BP 4.36		x
Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11		x
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12	x	
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

VII. Contact point

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