



1. Project Data:		Date Posted : 09/30/2014	
Country:	Albania		
Project ID:	P078933	Appraisal	Actual
Project Name:	Education Excellence And Equity Project	Project Costs (US\$M):	75.00
L/C Number:	C4180	Loan/Credit (US\$M):	15.00
Sector Board :	Education	Cofinancing (US\$M):	30.00
Cofinanciers :		Board Approval Date :	06/01/2006
		Closing Date :	12/31/2010
Sector(s):	Primary education (35%); Secondary education (30%); Tertiary education (20%); Central government administration (10%); Sub-national government administration (5%)		
Theme(s):	Education for all (33% - P); Vulnerability assessment and monitoring (17% - S); Decentralization (17% - S); Administrative and civil service reform (17% - S); Education for the knowledge economy (16% - S)		
Prepared by :	Reviewed by :	ICR Review Coordinator :	Group:
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2. Project Objectives and Components:

a. Objectives:

The Financing Agreement (FA p. 5) stated that the Project Development Objective (PDO) was to support the Recipient's Program: (a) to improve quality of learning conditions for students; (b) to increase enrollment of students in general secondary education; and (c) to initiate higher education reform. This PDO was stated differently in the Project Appraisal Document (PAD p. 8), where the PDO was to improve quality of learning conditions for all students and increased enrollment in general secondary education, especially for the poor. The Board approved March 2012 restructuring paper corrects the PAD to align its statement of the PDO with the statement contained in the FA, and to reflect that additional safeguards policy on Involuntary Resettlement (OP/BP 4.12) has been triggered. The PDO did not change throughout the life of the project. The ICR Review is based on the PDO as expressed in the FA.

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

No

c. Components:

The PAD (pp. 8-9) described the project's four components:

Component 1: Strengthening leadership, management and governance of the education system (Appraisal: US\$10.0 million; Actual: US\$2.9 million or 29 percent of appraised cost). The component included activities for: (i) strengthening leadership, professional development of school principals, and decision making and resource management at the school level; (ii) increasing community participation; and (iii) introducing performance-based management, utilizing the Education Management Information System (EMIS) for decision making. Decentralized service delivery was expected to be piloted in 2-3 regions before deciding on a rollout plan in

order to form an institutional foundation to address other priority areas .

Component 2: Improving conditions for teaching and learning (Appraisal: US\$26.0 million; Actual: US\$3.6 million or 14 percent of appraised cost). The component focused on enabling teachers and students to use a wider range of appropriate educational tools and methods in teaching and learning processes through : (i) teachers' professional development (to enable them to use more effective teaching methods in their classrooms); (ii) curriculum reform (including the development of a national curriculum framework, rationalization of subjects, integration and textbook development); and (iii) enhanced teacher education policies and practices . The component also included: (i) strengthening the capacity the National Assessment and Examination Center to assess and evaluate education; (ii) developing a national plan for evaluation in education; and (iii) improving the transparency and integrity of the national Matura examination system .

Component 3: Improving and rationalizing education infrastructure, especially in secondary education (Appraisal: US\$32.0 million; Actual: US\$50.8 million or 159 percent of appraised cost). To enhance efficient investment and (re)allocation in physical infrastructure and human resources especially at the secondary education level, the component supported the Ministry of Education and Science (MoES) in making investment decisions based on school mapping, taking into consideration the demographic development in Albania . Science laboratories and information and communication technology (ICT) facilities were to be provided to general secondary schools in line with the new curriculum and teacher training to be supported in Component 2.

Component 4: Setting the stage for higher education reform (Appraisal: US\$7.0 million; Actual: US\$8.6 million or 123 percent of appraised cost). This component supported the MoES and universities to : (i) carry out a review of the system to identify and sequence reform activities (including university governance, financial autonomy and accountability, quality assurance, and partnership arrangements); (ii) formulate and implement a strategic development plan for key universities; (iii) expand the opportunities for students by mobilizing private financing and improving the efficiency of public resources .

There were two substantial changes in the component activities : (i) the grants program to support school improvements was dropped from Component 2, due to the delays in establishing a funding formula and the remaining available time for the project (ICR, p. 23); (ii) the minor civil works program envisioned by Component 3 was revised to include major new construction, thereby raising costs and triggering the operational safeguards policy on Involuntary Resettlement (OP/BP 4.12) (ICR, p. 3).

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

Project cost: The ICR (Annex 1) estimated the total project cost at US\$65.9 million or 88 percent of the appraisal estimate of US\$75.0 million. Components 1 and 2 spent far less (29 percent and 14 percent respectively) than estimated at appraisal, while Components 3 and 4 spent considerably more (159 percent and 123 percent respectively). The ICR (p. 4) notes that: (i) Component 2 costs were reduced largely due to problems with rolling out the school improvement process, particularly the school grants; and (ii) Component 3 costs were increased to provide the additional funds necessary to complete the 22 renovated and new schools. These adjustments were the result of a major misunderstanding between the Bank and MoES over the issue of new school construction, which was a Government priority but not included in the FA (ICR, p. 5).

Financing: The project utilized a pooled funding mechanism with each of the partners financing US\$ 15.0 million and the government financing US\$30.0 million. Estimated and actual project financing is as follows : the Council of Europe Development Bank (CEB) (US\$15 million; US\$15.48 million or 103 percent of the appraisal estimate) and the European Investment Bank (EIB) (US\$15 million; US\$14.44 million or 96 percent of the appraisal estimate). The initial IDA credit was 10.5 million SDR, of which 9.5 million (or 90 percent) was disbursed. The Government of Albania (US\$30 million; US\$24.19 million or 81 percent of the appraisal estimate), which represents 35 percent of total project spending .

Dates: The project was restructured twice with consequences for the closing date . Level 1 restructurings: (i) amended (March 19, 2010) the legal agreement to reflect that the operational safeguards policy on Involuntary Resettlement (OP/BP 4.12) had been triggered and that new school construction (on hold since 2008) was allowed to continue; and (ii) aligned (March 22, 2012) the wording of the PDO in the PAD and the Financing Agreement and reallocated the project proceeds to reflect project activities and implementation to date .

The first restructuring resulted in an extension of the closing date by 12 months (from December 31, 2010 to December 31, 2011) to compensate for the time lost in carrying out the civil works, which accounted for about 40 percent of the total project cost . The second restructuring resulted in an extension of the closing date by 15 months (from March 31, 2012 to June 30, 2013). Prior to the second restructuring, an extension from December 31, 2011 to March 31, 2012 was granted to allow time for the second restructuring to be completed .

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

Relevance of Objectives : Substantial .

In response to low educational attainment (8.6 years of schooling, lagging behind neighboring countries and almost 6 years below the EU average), low enrollment in secondary education (50% on average, 25% in rural areas), and poor performance in reading, mathematics, and science on the 2000 Programme for International Student Assessment (PISA), Albania had developed the National Education Strategy 2004-15 (NES) for pre-university education. In line with the CAS FY06-09, the project emphasized: (i) the urgency of supporting areas with high poverty rates; (ii) the need to incorporate investment lending into a Sector-Wide Approach; and (iii) the importance of replacing autonomous Project Implementation Units (PIUs) with more long-lasting and effective institutions.

NES 2004-15 remains the guiding strategy for the sector, and the project is relevant based on : (i) its national coverage at the basic, secondary, and tertiary levels; and (ii) its benefits for students, teachers, and administrators. The country has adopted a Pre-University Education Strategy (2009-13) and a Higher Education Strategy (2008-13, revised 2013-20). The pre-university strategy addresses: (i) access to all levels of the pre-university system; (ii) reform and strengthening of policy making, management and decision making capacity; (iii) improved quality of teaching; and (iv) accountability, monitoring and assessment. The higher education strategy addresses university governance and financing as well as compliance with the European Union's Bologna process.

The project is in line with the country's National Strategy for Development and Integration (NSDI) 2007-13 and the External Assistance Orientation Document (EAOD). The EAOD articulates both the strategic objectives and the methods (calling for sector-wide approaches) of the NSDI. These are reflected in the Albania Country Partnership Strategy (CPS) 2011-14, which calls for a continued focus on educational access and quality and on school management.

b. Relevance of Design:

Relevance of Design : Modest.

Each of the three sub-objectives of the PDO presented in the FA has weaknesses with respect to the logic of the results chain. First, for sub-objectives 1 (improving quality of learning conditions for students) and 2 (increasing student enrollment in general secondary education), the linkages between outputs, intermediate outcomes, and outcomes are only complete if the two PDO are combined. Once combined, the relationship between activities focused on infrastructure, curriculum design, and teacher training and results as measured by national and international tests can be seen. Even combined, the activities only address the issue of supply; the demand side of the results chain is not considered.

Second, sub-objective c (initiating higher education reform) did not include an outcome measure and the linkages between the outputs and the intermediate outcomes are not adequately explained.

Finally, given the importance of the component addressing management strengthening and governance, there should perhaps have been a sub-objective related to this aspect as well as some expected outcomes.

4. Achievement of Objectives (Efficacy):

Improve the quality of learning conditions for students : Substantial .

Outputs

- Pre-service professional standards were established for the teaching profession .
- 4,200 pre-university education teachers, as well as 500 pre-university education administrators and 100 specialists (MoES/RED/inspectors), were trained on integrating ICT within the curriculum and ICT integration policies in schools .
- National assessment of student achievement by the National Agency of Examinations is functioning .
- The Programme for International Student Assessment (PISA) 2009 and 2012 conducted successfully .
- The MoES has adapted construction standards from Kosovo for use in Albania .

- Furniture and teaching aids were provided to 400 preparatory (ECD) classes.
- 6 existing basic schools were rehabilitated, 3 existing basic schools were expanded, and 6 new basic schools were constructed. New furniture was also provided.
- 250 chemistry labs and 250 biology labs were purchased and installed in basic education schools.
- 1,496 computer labs were purchased and installed in basic and secondary schools, including 24,125 computers, 1,107 virtual labs, 722 projectors, 569 laser printers, and 150 scanners.
- Internet services were provided to approximately 2,000 schools.
- The school improvement projects were not implemented under the project (not meeting the target of 400 schools and clusters of schools engaged in school improvement activities)
- 4,200 (or 12% of the 35,000 teachers overall) teachers were trained in ICT with project support (not meeting the target of 70%).
- 12,509 teachers (or 43% of all primary and general secondary teachers) were trained under the project (not meeting the target of 20,429 teachers or 70%). This indicator was added in August 2010 by the Education Sector Board.

Intermediate Outcomes

- 100% of primary schools were using new curriculum/textbooks (exceeding the target of 95%).
- The percentage of students in basic/secondary schools with multiple shifts declined from 36% / 15% to 13.9% / 5.6% respectively (exceeding the targets of 25% / 8% respectively).

Outcomes

- The progression rate from basic education (9 years) to secondary education increased from 80.3% to 92.0% (exceeding the target of 90.0%). The ICR (p. 7) notes that baseline data were not available until November 2009 and were not disaggregated by region.
- The basic education dropout rate declined from 0.94% to 0.37% (exceeding the target of 3.0%), but the ICR (p. 7) notes that baseline data were not available until November 2009 and indicates that the actual value may be unreliable as it falls far below international norms.
- Between 2008 and 2011, the level of teachers' satisfaction in their working conditions increased for high satisfaction from 29% to 39%, decreased for moderate satisfaction from 57% to 48%, and decreased for low satisfaction from 14% to 13% (meeting the target of "upward"). Though wage increases (not supported by the project) probably contributed to teachers' satisfaction, the project contributed in other important ways, including improvement of working conditions, reduction in number of pupils in classes, enrichment of didactic materials, and school infrastructure.

Increase enrollment of students in general secondary education : Modest.

Outputs

- 4 new secondary schools were constructed, 2 existing secondary schools were expanded, and 1 existing secondary school was rehabilitated. New furniture was also provided.
- 100% of secondary schools have adopted the revised curriculum.
- 100 chemistry labs and 100 biology labs were purchased and installed in secondary schools.
- 20 secondary schools received interactive white boards, wireless interactive testing systems, teacher slates, and student remotes, in order to integrate ICT into the curricula.
- The state Matura: (i) is used as a secondary school exit exam and a university entrance exam; (ii) continues to be revised each year according to the needs of the education system; and (iii) can be conducted through the servers established by the National Agency of Examinations.

Intermediate Outcomes

- The student-computer ratio in secondary education (disaggregated by regions) declined from 61 (urban 46, rural 133) to 14 (urban 14, rural 13) (exceeding the target of 30).

Outcomes

- The enrollment rate for secondary education increased from 56% (75% in Tirana, less than 50% in some regions) to 91% Gross Enrollment Rate and 80% Net Enrollment Rate (exceeding the target of 70% for Net Enrollment Rate specified in the PAD, pp. 32 and 34). Data were not disaggregated by region and income groups to measure progress, especially for the poor, as was indicated in the PAD.

Though positive, these results may not be entirely attributable to the project. First, they measure rates at the national rather than project level; in the 7 secondary schools supported by the project's civil works program, enrollment increased from 4,453 in 2006 to 7,038 in 2012 (MoES data reported in the ICR, p. 12). Second, there was a clear trend of increasing enrollment in secondary education before the project started, with gross enrollment increasing by 22.3% before the project, compared with 20% during project implementation.

Initiate higher education reform : Substantial .

Outputs

- Laboratory equipment has been purchased and distributed to 12 universities.
- The curriculum framework for pre-university education, coherent with European standards, is currently pending review from the new Government.
- A Higher Education Reform Strategy 2013-2020 and Action Plan were developed and implemented .
- MoES developed a revised funding formula as well as a student loan scheme that has been agreed upon with the Ministry of Finance. Budget constraints and political timing due to elections in June have prevented MoES from implementing them in the academic year, starting in October 2013. Full implementation of the strategy is on hold pending a review from the new Government .
- The Public Agency for Accreditation of Higher Education was restructured and five EMIS modules for higher education were developed and are now in use . Standards for higher education institutions were prepared and used to launch a Higher Education Program Ranking Initiative .
- The Law on Higher Education was adopted in 2007, replacing a previous 1999 law.
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Intermediate Outcomes

- The Law on Higher Education was adopted in 2007 (meeting the target), and proposed revisions to this law take into account recent reforms and emphasize autonomy in decision making and financing for higher education institutions .
- All universities have developed strategic plans (meeting the target of 100%), and capacity to operate autonomously is increasing .
- All universities have established external governing boards (exceeding the target of 50%).
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Outcomes

No KPI related to higher education reform were included at project design or added when the project was restructured. The outputs presented in the ICR indicated that higher education reforms were partially implemented (e.g. Master Plan and Bologna process adopted; financing mechanisms developed for a student funding formula and loan framework; standards for accrediting higher education institutions and ranking the quality and relevance of their programs; and EMIS developed student enrollment modules).

5. Efficiency:

Efficiency : Modest

Project efficiency was affected by the scope of the project 's objectives, which aimed to address simultaneously : (i) all of the educational levels of (basic, secondary, and higher education); and (ii) management and reform of the educational system . The reallocation of substantial resources during project implementation from software (Components 1 and 2) to infrastructure (Component 3) represented a de facto selectivity and targeting, which is not substantiated by the prevailing evidence of teacher effectiveness as among the most important factors for student learning (ICR, p. 33). In addition, the elimination of the school improvement grants (due to delays in establishing the funding formula) compromised what might have been a more efficient allocation /use of funds to achieve the PDO.

A comparison (ICR, p. 30) of the unit costs for civil works of different education projects concludes that the project's schools were substantially more expensive and (based on CEB comments and field visits with beneficiary schools) of poor quality. Overall, given the small number of beneficiaries, the minimal impact on increasing instructional time (through the expected reduction of multiple shift schools), and the lack of evidence to suggest that these schools served the areas of greatest need, the project 's costs were high relative to the benefits. In addition, recurrent land and property ownership issues related to school construction adversely affected project implementation, as compliance issues with the Involuntary Resettlement Safeguard Policy (OP/BP 4.12) arose on several occasions .

Efficiency was also affected by management shortcomings; implementation delays included : (i) recruitment of technical assistance, especially for financial management and civil works; (ii) capacity building efforts in the MoES (which resulted as well in periods of non-compliance with legal covenants related to MoES staffing and the fiduciary strengthening plan); and (iii) establishment of EMIS for monitoring outputs and evaluating outcomes. Overall, the project was extended by 2 1/2 years and not all the funds were used .

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

	Rate Available?	Point Value	Coverage/Scope*
Appraisal	No		
ICR estimate	No		

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

6. Outcome:

Relevance of project objectives is rated Substantial; relevance of project design is rated Modest . The project was and remained aligned with: (i) the National Education Strategy 2004-2015 and the revised Higher Education Strategy 2013-2020; (ii) the Government's External Assistance Orientation Document; and (iii) the CPS 2011-2014. The project's design had a number of important shortcomings in the results chain for PDO 1 and 2 as well as significant reallocations of resources from learning and quality investments to infrastructure .

Efficacy is rated Substantial for PDO 1 (improving the quality of learning conditions for students); Modest for PDO 2 (increasing the enrollment of students in general secondary education); and Substantial for PDO 3 (initiating higher education reform). There are, however, important caveats with respect to the rating for PDO 1. While intermediate outcome and outcome indicators are documented as met or exceeded, the project 's contribution is unclear, given: (i) the shortfalls in teacher training and the elimination of the important school improvement grants; and (ii) the significant reorientation of project expenditure away from school governance and learning (reduced from US\$36.0 million to US\$6.5 million) and towards education infrastructure (increased from US\$32.0 million to US\$50.8 million). In addition, the ICR expressed concerns about data quality (for the dropout rate) and attribution (for teachers' satisfaction). This translates into significant shortcomings for efficacy .

Efficiency is rated Modest on the basis of: (i) the impact of the original design on the implementation of the project; (ii) the shift in the project's original balance between hardware and software; (iii) the high cost, small number of beneficiaries, and limited impact of the civil works program; and (iv) management shortcomings.

a. Outcome Rating : Moderately Unsatisfactory

7. Rationale for Risk to Development Outcome Rating:

The ICR (p. 15) argues that the project significantly contributed to legal and institutional reforms, including : (i) passage of the Pre-University Law in 2012; and (ii) strengthening of key structures in the education system (e.g., IED, APAAL, NIPE, etc.). In addition, decentralization, school autonomy, and per capita funding mechanisms to address NES priorities were included in the Pre-University Law. Higher education reforms, embodied in the strategy and law, are likely to be sustained, particularly since they are intended to align the Albanian higher education system with the EU . Finally, using the education system 's existing structures and agencies to implement the project through a sector-wide approach strengthened the sector 's capacity to plan, implement, and monitor a large-scale and nation-wide reform program.

Conversely, several important reforms were only partially achieved (curriculum reform, teacher training accreditation, and in-service teacher training for implementing curriculum reforms). In addition, limited funding for the maintenance of infrastructure and internet connectivity, along with the absence of a clear mechanism to hold municipalities responsible for the maintenance of school infrastructure raise the issue of sustaining the infrastructure investments. Two factors may mitigate this risk: (i) inclusion of the project-financed infrastructure program as a priority of the ten-year National Education Strategy (NES); and (ii) a 2014 Public Finance Review of social sectors (carried out in close collaboration with the Ministry of Finance) endorsed the need to ensure adequate funding for maintenance .

a. Risk to Development Outcome Rating : Moderate

8. Assessment of Bank Performance:

a. Quality at entry:

Though the project was strategically relevant, based on the Bank 's previous experience in the sector (through both investment projects and Poverty Reduction Strategy Credits), and benefited from a Quality

Enhancement Review (QER), it was considered a substantial risk (ICR p. 5) as a result of: (i) an overly ambitious design, given the weak fiduciary and implementation capacity of implementing agencies; and (ii) the disparate activities which were expected to be consolidated into a comprehensive and coherent set of investments and outcomes (ICR, p. 6).

There were also discrepancies in PDO language between the PAD and the FA and misunderstandings between the Bank and both the co-financiers and the Government. The CEB has noted: (i) the mix of SWAP and traditional project requirements; (ii) the lack of focus and targeting; (iii) the insufficient attention to capacity-building within the objective of decentralizing responsibilities; and (iv) the inadequate analysis of the local practices with respect to environmental and social safeguards. Even more serious was the misunderstanding between the Bank and MoES involving the failure to include new school construction as a potential investment area.

In discussions with IEG, the Task Team acknowledged the misunderstandings about: (i) the nature of pooled funds and a full-fledged sector wide approach (SWAP); and (ii) the commitment to undertake a major civil works program. In both instances, however, the Task Team indicated that the written record supports the Bank's interpretation, although it admits that there were serious consequences for project implementation.

Quality-at-Entry Rating : Unsatisfactory

b. Quality of supervision:

Despite its relatively small share of project financing, the Bank (through its Tirana office) provided in-depth technical, fiduciary, and safeguards supervision on behalf of the three co-financiers. The Bank's close cooperation with MoES provided the flexibility to: (i) successfully implement the project's activities throughout implementation; (ii) restructure the project to allow for new school construction; and (iii) extend the project to provide adequate time to complete major interventions that supported achievement of the PDO.

The issues surrounding new school construction handicapped implementation and preoccupied supervision. Not only were there serious delays while social safeguards procedures were carried out but the eventual modifications also significantly changed the focus of the original project, increasing resources for "hardware" while reducing funds for "software." In addition, there were other shortcomings, including: (i) three changes in the Bank's task team leaders; (ii) slowness in recognizing potentially unsuccessful activities (e.g., the school grants program) and reallocating funds; and (iii) inadequate attention during the restructurings to the need to revise the Results Framework.

Quality of Supervision Rating : Moderately Satisfactory

Overall Bank Performance Rating : Moderately Unsatisfactory

9. Assessment of Borrower Performance:

a. Government Performance:

The project benefited from political commitment throughout and from continuous financial support until 2011 when the effects of the Eurozone crisis on budget revenues and public debt levels forced the Ministry of Finance to limit its foreign financing. Actual Government expenditures were US\$ 24.19 million or 81% of the appraisal estimate.

Government Performance Rating Moderately Satisfactory

b. Implementing Agency Performance:

Despite three ministerial changes in the leadership of MoES, ownership of the project remained strong, and many of the NES reforms were operationalized. Management, coordination, and monitoring within the MoES increased substantially as a result of: (i) national and international assistance to strengthen fiduciary capacity; and (ii) organization of the semi-annual review meetings with stakeholders. In addition, the project contributed to improved fiduciary capacities among the universities, APAAL, and the municipalities (although

capacity varies widely).

Among the shortcomings in the performance of the MoES were: (i) insufficient supervision in the field; and (ii) inadequate accountability mechanisms for municipalities, which led to recurring safety-related civil works problems and concerns about project sustainability. In particular, the ICR (p. 17) notes that the performance of key project activities deteriorated in the final months resulting in: (i) protracted resolution of procurement complaints and payments to service providers; (ii) a failure to procure computer labs and digital equipment for the 22 project-funded schools; and (iii) delayed resolution of quality and safety concerns regarding civil works (particularly, construction of fire escape staircases, connections for water /electricity/sewage/drainage, and furniture installation). In discussions with the Task Team, it was noted these delays were not due to a lack of commitment but to the impending transition of political power after the presidential election and the inevitable attrition of personnel within the ministry.

Implementing Agency Performance Rating : Moderately Unsatisfactory

Overall Borrower Performance Rating : Moderately Unsatisfactory

10. M&E Design, Implementation, & Utilization:

a. M&E Design:

IEG notes the ICR's (pp. 6-7) thorough review of the strengths and weaknesses of the project's Key Performance Indicators (KPI) and concurs with its conclusion that the PDO indicators included in the results framework did not adequately provide for measuring progress towards the PDO. As indicated above, none of the PDO results could be conclusively substantiated due to a combination of imprecise indicators, poor measurement, or insufficient attribution.

In discussions with IEG, the Task Team identified a significant design constraint, as the Ministry of Education was neither responsible for the census data (for providing the denominator for the indicators) nor for the analysis of the new census data, which it was forbidden by law to use for the calculations. The Ministry was therefore unable to produce the expected outcome data or to disaggregate data to measure progress, especially for the poor, as indicated in the PAD. There were also difficulties with the definition of drop-outs as adopted by the Government and by the international organizations.

b. M&E Implementation:

M&E implementation improved throughout the project period; MoES produced monitoring reports on a regular basis and the semi-annual reform program (ARP) reviews provided opportunities to review both project and education sector indicators. The ICR noted (p. 7) that: (i) the lack of baseline data at project preparation phase delayed M&E implementation and utilization; and (ii) the values for some indicators, especially PDO 1, were debatable because they fell far below international norms.

In discussions with the Task Team, it was noted that the Ministry of Education was neither responsible for the census data (for providing the denominator for the indicators) nor for the analysis of the new census data, which it was forbidden by law to use for the calculations. One consequence of the law was that MoES was not able to disaggregate data to measure progress, especially for the poor, as indicated in the PAD. There were also difficulties with the definition of drop-outs as adopted by the Government and by the international organizations.

c. M&E Utilization:

IEG concurs with the ICR's (p. 7) conclusion that: (i) the quality of analysis remains weak and more focused on counting inputs and outputs with little linkage to outcomes; and (ii) the timeliness of the results for the ARP was problematic. In addition, the MoES failed to utilize the data to assess the cost effectiveness and efficiency of investments or to conduct evaluation of the project's outputs and impacts. The failure to implement the decentralized service delivery pilot constituted a missed opportunity for learning.

M&E Quality Rating : Modest

11. Other Issues

a. Safeguards:

The project was classified as Environmental Category 'B' based on anticipated minor reconstruction and rehabilitation of school facilities. When MoES sought project support for new school construction, the project was restructured (2010), but remained classified as Category 'B' since any potential environmental impacts of new school construction were site-specific and deemed reversible.

Despite indications that some municipalities had not adequately implemented safeguards compliance, none of the issues required discontinuation of civil works. The ICR (pp. 7-8) notes that the Environmental Assessment Safeguards Policy (OP/BP 4.01) was complied with throughout the project implementation period.

The Involuntary Resettlement Safeguard Policy (OP/BP 4.12) was triggered through a level 1 restructuring to accommodate new construction of schools. As noted above, compliance issues adversely affected project implementation on several occasions.

b. Fiduciary Compliance:

Financial management. As noted in the ICR (p. 8), though financial management (FM) arrangements and capacity within the MoES improved during project implementation, there were: (i) delays in fully implementing the fiduciary capacity building plan; (ii) delays in the transfer of funds from the Designated Account for implementation of the ARP; and (iii) inadequacies in the accounting and internal financial reporting system (based on Excel spreadsheets) until MoES installed customized budget accounting and financial reporting to meet the project's needs. The ICR makes no mention of whether there were any qualified audits.

Procurement. As noted in the ICR (p. 8), project procurement arrangements were deemed sufficient, and procurement procedures complied with the Bank's Procurement and Consultant Guidelines. Payment delays to some contractors and suppliers in the last two years of implementation, due to insufficient allocations from the MoES, were ultimately resolved. Procurement capacity was strengthened: (i) for MoES, the universities, the Institute for Education Development (IED), and the Public Agency for Accreditation in Higher Education (APAAL); and (ii) to a more limited extent, for the municipalities, though the project's goal to improve fiduciary capacity at the local level to reach international levels was unrealistic.

c. Unintended Impacts (positive or negative):

d. Other:

12. Ratings:	ICR	IEG Review	Reason for Disagreement / Comments
Outcome:	Moderately Satisfactory	Moderately Unsatisfactory	Relevance (design) and efficacy (PDO 2) included a modest rating, and efficiency was modest.
Risk to Development Outcome:	Moderate	Moderate	
Bank Performance:	Moderately Satisfactory	Moderately Unsatisfactory	There were weaknesses in project preparation (noted at the QER), discrepancies between the PAD and the FA, and misunderstandings with the partners, as well as recurring M&E, safeguards, and FM issues.
Borrower Performance:	Moderately Satisfactory	Moderately Unsatisfactory	With ratings for the two dimensions in different ranges, the overall rating depends on the outcome rating which is Moderately Unsatisfactory.

Quality of ICR :	Satisfactory
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NOTES:

- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons:

Lessons from the ICR:

Lessons from the ICR, adapted by IEG :

- Vague or incompletely defined implementation arrangements among implementing partners (co-financiers and the Government) prior to effectiveness may contribute to uncertainties and delays in implementing the project. In retrospect, pre-effectiveness adoption of the Administrative Agreement defining the pooled funding mechanism and the school improvement grants procedures might have alleviated the misunderstandings among partners and accelerated the implementation of the project . (See ICR, p. 18)
- Though seemingly straightforward, school civil works programs implemented with Bank funding may involve considerable implementation risks . Given that the Government had improved 1,152 schools between 2006-12 and that the project expected to construct/rehabilitate 22 schools, the partners might have avoided subsequent implementation problems with a better analysis of the costs, benefits, and risks of the Bank's contribution. (See ICR, p. 18)

Lessons from IEG:

- Although the project was prepared on the basis of findings demonstrating the impact of improved teacher quality and professional development and increased teacher effectiveness for basic and upper secondary educational results, project implementation and supervision emphasized school infrastructure . In retrospect, the project might have been more successful if the partners had been able to redirect the project's focus from hardware to software . (See ICR, p. 33)
- Where co-financiers express concerns about the project's operating assumptions and mechanisms for resolving these concerns are unsuccessful, project outcomes may well suffer . Given the CEB's criticisms in the ICR, the Bank might have considered an earlier and more extensive restructuring to re-establish a consensus among the financing and implementing partners . (See ICR, p. 50).

14. Assessment Recommended? Yes No

15. Comments on Quality of ICR:

The ICR was concise and particularly strong on the analysis of the linkages between output, intermediate outcome indicators and outcome indicators .

A number of annexes were especially useful : (i) Annex 3 summarizing the economic and financial analysis and discussing alternative investments for subsequent operations was innovative and interesting, despite the ICR 's (p. 13) concern about data limitations and attribution concerns; (ii) Annex 5 summarizing visits to nine schools provided good background; (iii) Annex 7 summarizing the Borrower's ICR was very informative; and (iv) Annex 8 summarizing the comments of the Council of Europe Development Bank (CEB) was extremely pertinent and could have been included in the lessons learned .

Several issues were dealt with too summarily: (i) the ICR argues that the SWAP was a useful mechanism, but (except for the mention of the pooled fund and the semi -annual reviews) there is very little discussion of how the SWAP actually worked; and (ii) there is a brief mention of ECD in the outputs and in Annex 3, but no discussion

in the ICR. In discussions with the Task Team, IEG was informed that the Region has a very strict page limit which could explain why more detailed discussion was not available .

a.Quality of ICR Rating : Satisfactory