



Program Information Document (PID)

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**BASIC INFORMATION****A. Basic Program Data**

Country Ukraine	Project ID P171050	Parent Project ID (if any)	Program Name Ukraine Improving Education for Results Program
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 09-Dec-2019	Estimated Board Date 25-Mar-2020	Does this operation have an IPF component? No
Financing Instrument Program-for-Results Financing	Borrower(s) Ministry of Finance of Ukraine	Implementing Agency Ministry of Education and Science of Ukraine	Practice Area (Lead) Education

Proposed Program Development Objective(s)

The proposed Program Development Objective is to improve conditions for strengthening quality, equity, transparency, and efficiency in upper secondary and tertiary education in Ukraine.

COST & FINANCING**SUMMARY (USD Millions)**

Government program Cost	1,000.00
Total Operation Cost	200.00
Total Program Cost	200.00
Total Financing	200.00
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	200.00
World Bank Lending	200.00



B. Introduction and Context

Country Context

- 1. Ukraine had more than a decade of shifting patterns of growth generated by changing external conditions and a shift in exports from Russia to the European Union (EU), large macroeconomic imbalances, weak productivity growth and ineffective social services deriving from deep structural bottlenecks and governance challenges combined with an exodus of human capital.** Growth averaged only 2 percent per year during 2000-2015, compared to 3.6 percent in Poland and 4.2 percent in Turkey. When the security and financial shocks hit, they had a significant and dual impact, leading to a macro-economic decline. Real GDP contracted by 6.6 percent in 2014 and by a further 9.8 percent in 2015. The currency depreciated sharply by 47 percent in 2014 and a further 33 percent in 2015, and the consolidated fiscal deficit grew to 10.1 percent of GDP in 2014. This was accompanied by several bank failures and the increased level of nonperforming loans.
- 2. However, over the last three years, Ukraine has taken positive and decisive steps to recover from and alleviate the unprecedented political, security, and economic shocks it faced in 2013-14.** The Euromaidan revolution, the armed conflict in eastern Ukraine, and extensive financial exposure to a deteriorating global economic environment generated the momentum for change, and authorities undertook decisive reforms in 2014-2015 to stabilize the economy. This included a move to a flexible exchange rate, undertaking considerable fiscal consolidation, averting contingent liabilities from the financial sector, reforming energy tariffs, strengthening social assistance to cushion the impact on the poor, stabilizing the banking sector, streamlining the business environment, and taking initial steps to enhance accountability by establishing anti-corruption agencies. The recent Presidential elections further highlighted the importance of issues surrounding public trust, accountability and rooting out corruption, all of which remain critical to reform efforts.
- 3. Today, Ukraine is at a crossroads: the economy has relatively stabilized and the conflict has subsided while a resolution is still pending. Much more needs to be done to move from economic stabilization to durable recovery and shared prosperity for the population.** Growth has resumed, but it remains modest and in terms of GDP per capita, Ukraine remains one of the poorest countries in ECA. In 2016, real GDP grew by 2.3 percent, while the general government deficit was down to 2.1 percent of GDP in 2015 and 2.3 percent in 2016. But poverty levels have increased significantly, and livelihoods have been disrupted. Notably, in recent years the share of labor income in the total income has started to decline due to a significant decline in real wages rather than increase in labor productivity. This hints at a skills mismatch between the education system and the needs of the economy.
- 4. Demographic decline and aging contribute significantly to Ukraine's development challenges.** Ukraine has a total population of around 42.2 million people as of 2018 but has experienced negative population growth since 2000. The working age population (15-64 years) has declined from around 34 million in 2000 to 28.7 million in 2018 and is projected to reach 25 million by 2050, while the elderly population is projected to rise. Due to below-replacement fertility levels, low birth rate, high mortality, and emigration of the working-age population, Ukraine is expected to lose more than 6.2 million people of all ages and about 8.3 million people of working age by 2050. Finally, 2 million Ukrainians entered the Polish labor market in 2017 – an increase of 40 percent from 2016. These demographic factors have significant implications for the role of productivity and capital accumulation in driving growth.
- 5. In this context of these vulnerabilities, the Government of Ukraine recognizes human capital development as a key priority.** Recent wealth estimates of 141 countries indicate that while human capital accounts for nearly 64



percent of global wealth and 51 percent of wealth in lower-middle-income countries, it accounts for only 34 percent of total wealth in Ukraine. This suggests that despite high levels of education, human capital has been a relatively weak factor of production in driving economic growth. However, capitalizing on the country's tremendous potential will require addressing longstanding structural bottlenecks in human capital development. Ukraine needs to better prepare its youth, so they can respond better to this changing labor market landscape and integrate with the world economy. Since the Euromaidan revolution in 2014, the Government of Ukraine has been engaged in an ambitious and transformative reform of the education sector to promote human capital development. The Government's Medium-Term Action Plan to 2020 and the Priority Action Plan, adopted in April 2017, identifies human capital development and education system reform as a core priority for contributing to the goal of increasing living standards and quality of life through sustainable economic development.

Sectoral (or multi-sectoral) and Institutional Context of the Program

6. **Ukrainians recognized and have called for a modern education system that facilitates integration into Europe and the wider world.** Low public trust in the system, years of national dialogue, and the Euromaidan Revolution all contributed to a consensus for change. The new Law on Higher Education was the first large systemic reform-oriented law adopted in 2014. This was followed by a Budget Decentralization Strategy across political, administrative and fiscal dimensions. In 2017, after years of national dialogue to develop a shared understanding of a new vision for secondary education, the new Framework Law 'On Education' and the *New Ukrainian School* (NUS) was adopted. While these reforms hold great promise to fundamentally transform the education sector, they have proceeded at different paces, and there is a high level of historical inertia that threatens progress. The government, through its reform program, aims to address persistent imbalances of inequity and poor quality, low efficiency and low public trust in the sector to achieve positive results.
7. **Learning outcomes among secondary school students and proficiency levels among tertiary educated adults in Ukraine lag behind many high-income countries although their average educational attainment as well as spending as a percentage of GDP¹ is higher than most OECD countries.** While the Human Capital Index predicts that a child born today in Ukraine will receive 13 years of schooling by the time she reaches age 18, factoring in what children actually learn, expected years of school is only 10.2 years. This learning gap of 2.8 years is roughly comparable to the ECA region, but substantially higher in Ukraine than in high-performing education systems such as Canada, Finland, or South Korea. Furthermore, literacy proficiency scores collected through the World Bank's Skills Towards Employment and Productivity (STEP) survey indicate that higher educational attainment does not guarantee even basic cognitive skills relative to other countries. Although university graduates have higher reading proficiency scores on average, the top-performing individuals with only a general secondary education scored higher than over 50 percent of university graduates, suggesting wide variation in learning outcomes.
8. **Ukraine faces a significant challenge in ensuring that all students acquire foundational skills, with large inequities in pre-primary and secondary education, driven by various forms of segregation – by income, location, socioeconomic factors and, type and size of the school.** Unequal access starts early at pre-primary level and continues into secondary education. Analysis of assessment data from TIMSS 2011, the annual university entrance examination (External Independent Test, EIT) and a recent sample-based math assessment of Grade 4 students by UCEQA confirm that (i) poorer students tend to be clustered in poorer schools, which contributes to initial inequities; (ii) students in small sized classes, small sized schools and those studying in rural areas face

¹ With public spending on education at 6.0 percent of GDP and with private spending adding another percentage point of GDP, Ukraine's education spending is amongst the highest in the world, according to World Bank (2018) Public Finance Review.



greater inequities; (iii) there is a between-school inequity such as the difference in performance between selective schools (gymnasiums, lyceums, specialized schools) and regular non-selective schools in urban areas.

9. **Ukraine is an outlier among other countries in Europe and Central Asia in terms of the low levels of public trust in the education system, which erodes the value of education.** Prior to the Euromaidan Revolution of 2014, nearly three-quarters of Ukrainians believed that corruption is pervasive or widespread in higher education, and about 50 percent reported the same for secondary education (OECD 2017). According to the 2016 Life in Transition Survey, Ukraine is an outlier among other countries, with relatively low levels of satisfaction with public education along with relatively high experience of corruption in public education.
10. **The Law ‘On Education’ introduced a dedicated mechanism of voluntary certification for teachers in line with the *New Ukrainian School*, linked to a salary increase, but it needs to be implemented and monitored carefully along with broader investments in teacher professional development.** Teacher certification is designed to raise the quality of those entering—or already in—the teaching profession and to maintain, manage, and continually update that quality throughout the teacher’s working life. Ideally, this certification mechanism should not be a stand-alone option, but part of a systematic strategy that takes into consideration the whole continuum of teacher education and development. Additionally, substantial improvements are needed to upgrade the quality of training provided by in-service teacher training institutes while aligning both in-service and initial teacher education with the competency-based approaches to learning envisioned in the NUS. The Ministry of Education and Science (MOES) is piloting the certification mechanism for 2,000 primary school teachers starting in 2019, but there is a need to develop and extend this approach at the upper secondary education level as well to ensure coherence within the system.
11. **Recent reforms and adjustments to the education financing formula in secondary education to optimize school networks represent a positive development, as they provide strong economic incentives to improve efficiency, along with quality and equity but it is important to continue monitoring and adjusting it as needed.** A per-student financing formula was introduced in 2014 along with a deep reform of the fiscal regime in Ukraine, but until 2018, it represented a de-facto continuation of the financing system that had been in place for several years. In 2018, the formula incorporated a crucial adjustment: it provided a hard budget constraint for local governments in which average class sizes in the formula are smaller than the norm. This creates a wedge between the actual and desired school network, in which local governments will be in a state of surplus or deficit in relation to the subvention formula. At the same time, local governments have flexibility to reallocate resources across budget years and redeploy savings, for example to purchase learning materials or provide preschool services. There is a possibility for an annual review which represents a good opportunity to develop indicators on network efficiency and systematically revise the formula as needed.
12. **Capacity to conduct and monitor learning assessments should be improved and the *External Independent Test (EIT)* should be strengthened to better regulate access to higher education.** This year, Ukraine initiated a sample-based external assessment of learning outcomes in Grade 4, and this represents a positive development in the sector, since external assessment information on student learning is crucial to hold schools and the education system accountable. This brings Ukraine in line with most OECD countries, which have some form of a summative assessment at the primary level. However, Ukraine would also benefit from an external assessment in Grade 9, before students transition into upper secondary school. While the university admissions exam (EIT) has brought more transparency and trust to the admissions process, and it is now being used in place of the school leaving exam. However, it is not clear that the EIT in its current form is well designed to fulfill both functions: (i) assessing that secondary school graduates have attained a minimum acceptable level of knowledge, and (ii) regulating



access to higher education through a high-stakes examination. Furthermore, the EIT does not yet reflect or measure the competency-based approach to learning envisioned in the NUS.

13. **Tertiary education represents the top objective for most young Ukrainians, particularly for long-cycle degree programs in universities, with a declining number of students pursuing junior specialist degrees in colleges.** The growth in the higher education system—particularly in HEIs offering academic degrees—was accompanied by a large increase in the higher education coverage rate, from about 45 percent at the time of independence in 1993 to 82 percent as of 2018. Approximately 75 percent students enroll in long-cycle degree programs in universities, academies and institutes, whereas colleges have 25 percent of enrollments. (Colleges were formerly part of the higher education system but are now designated as pre-tertiary education institutions). The share of the population age 25+ with at least some tertiary education has reached about 40 percent, exceeding that of the OECD average and many other countries.
14. **However, students with lower access to relevant and high-quality curricular options and academic/career guidance are also found to be less prepared to enter higher education.** School location as well as school profile affect the patterns of demand for higher education, as well as access. Rural students are less likely than urban students to exceed the EIT cutoff thresholds and are considerably less likely to apply and ultimately enroll in higher education. Whereas nearly 70 percent of urban students passed, applied, and ultimately enrolled, this figure drops to 40 percent for rural students according to the 2018 university admissions campaign. Furthermore, rural students are less likely to achieve the high levels of EIT performance required to access State-funded places in HEIs: only 17 percent of State-funded places for bachelor’s programs in 2018 went to students from rural areas.
15. **The structure of upper secondary education and variations in quality affect gender differences in student performance and patterns of demand for higher education.** Ukraine has achieved gender parity in terms of access and enrollment, but there are important differences by gender in terms of student performance and educational pathways. For example, female students outperform male students on the EIT, particularly in the Ukrainian language and literature exam which is mandatory for transition to higher education. Females are more likely to transition to higher education, whereas a greater share of male students end their studies after secondary school or drop out before completion. Male students are also more likely than females to consider and enter vocational tracks in secondary education. In the labor market, men are more likely to work in industry and agriculture, while women are more likely to work in services (73 percent of women work in services, compared to 48 percent of men), which also reflects patterns of demand for study fields in higher education. More attention to gender-related aspects in the transition from secondary to higher education would help to ensure appropriate pathways for both men and women and avoid “dead ends” in the system that may affect men or women disproportionately.
16. **Limited access to academic and career guidance counseling and to information on labor market outcomes after tertiary education complicates the choice of tertiary education study field and institution.** Ukraine does not have any national or large-scale programs on guidance counseling in secondary schools. While there are various non-governmental organizations that aim to support students and their families in this area, the scale is limited. Youth who did not have access to academic and career guidance are more likely to randomly select study fields and occupations, according to the ILO School-to-Work Transition Survey. Currently, there is also very limited public information allowing young people to compare programs, fields of study, and universities, such as university rankings or information on graduates’ employment. While students may know that workers with higher tertiary academic credentials have higher returns than others, it is less widely understood that the returns also vary significantly by field of study and their link to respective fields of employment. Thus, students would benefit from more information on their prospects depending on their choice of study field.



- 17. The student certification system needs to be strengthened to ensure flexible and permeable learning pathways, and the role of colleges and technikums in the education system structure need to be better defined.** To avoid dead-ends and support future skilling and labor market opportunities, there is a need to better define and clarify the current role of pre-tertiary, post-secondary institutions (colleges and technical colleges or technikums) in the education system structure. These institutions award junior specialist diplomas after 2-3 or 3-4 years of education, depending on whether the student enters with a basic or complete secondary education. About 25 percent of higher education students are enrolled in these short-cycle Junior Specialist programs in colleges and branch colleges and form the highest share (67 percent) of state funded students. At the same time, among the unemployed, those with tertiary education degrees increased from 32 percent in 2004 to 47 percent in 2013. 40 percent of young university graduates were working in lower-level jobs which did not require university-level education, as of 2013, compared to 29 percent for prime-age and older workers.
- 18. The network of public HEIs is oversized and inefficient, relative to a declining population and poses challenges both for financial sustainability and quality of service delivery.** With a total population of around 42.2 million, Ukraine's network of 327 universities, academies and institutes—of which 231 are public—is quite large. This amounts to 7.7 HEIs per 1 million population, or 5.4 public HEIs per 1 million. While the total number of public and private HEIs varies significantly across countries, even after standardizing by population size, Ukraine has a relatively high number of public HEIs, compared to other countries in Europe. Around 60 percent of academic HEIs enroll fewer than 5,000 students, particularly academies and institutes where the average enrollment size is around 680 students for institutes and 1,800 students for academies. The average university enrolls around 6,200 students, although there is wide dispersion due to some outliers. The network of colleges and technical colleges is also oversized relative to student enrollment and the broader population. There are over 300 public colleges and technical colleges in Ukraine, with an average enrollment size of approximately 550 students.
- 19. Ukraine's input-based funding model for public higher education combined with declining public funding in recent years has created a reliance on fee-paying students.** Public funding is allocated through a system of quotas determined centrally for each study field and level of education by the Ministry of Economic Development and Trade. With declining public funding as well as declines in the number of students, HEIs are increasingly dependent on fee-paying students who today comprise 55-60 percent of all higher education students, with disproportionately larger enrolments in social sciences and humanities and over 50 percent through distance/evening programs. This system disadvantages poorer students, those from rural areas and those from lower quality secondary schools.
- 20. Although several positive steps have been taken to improve transparency of funding and rebuild the accreditation system for higher education to improve quality in higher education, the public funding model remains unsustainable and capacity for quality assurance and necessary information remain limited.** Although the Law on Higher Education afforded HEIs more institutional, administrative and academic autonomy, financial autonomy of universities remains limited. HEIs prepare budgets to be approved by their 'parent' ministries, but the overall amount of budget funding for higher education and the number of state-funded places are determined independently in practice. This input-based method of financing leads to persistent funding disparities even for the same study field. At the same time, the 2014 Law on Higher Education established the National Agency for Higher Education Quality Assurance (NAHEQA), but it was only established in practice in early 2019, and capacity remains weak. While there are several sources of data on higher education, there is no higher education management information system or systems of internal quality assurance; existing data sources are disconnected and poorly oriented towards policymaking.



21. **A large supply of higher education graduates, combined with diminishing relevance of their credentials, has contributed to unemployment and education-job mismatch, particularly among young university graduates. Consequently, the share of tertiary educated workers among the unemployed has increased from 32 percent in 2004 to 47 percent in 2013.** Moreover, 40 percent of young university graduates were working in lower-level jobs which did not require university-level education, as of 2013, compared to 29 percent for prime-age and older workers. In terms of employee satisfaction, a serious skills mismatch is identified as 40% of employers reported significant skills gaps which harm business objectives. Internal labor mobility, an indicator of efficient labor distribution, skill clustering and agglomeration spillovers stands at 4.5 percent, half of comparator countries.
22. **Moving away from its Soviet legacy to a results-based, decentralized approach for education service delivery, Ukraine has a unique opportunity to carefully adopt education data management policies and systems for better quality, equity and governance in the education system.** This is particularly important to support the reform's emphasis on education modernization, balancing often competing goals of increasing transparency and trust, ensuring privacy while delivering results-based decisions. Furthermore, for a country of 42.2 million with a large geographic spread, increasing inequities of access and quality of access to education at all levels, a relatively recent decentralization policy instrument and rampant perverse incentives for different players in the system, it is necessary to begin imbuing a culture of data use for planning and decision making at various sub-national levels. The sector lacks reliable, consistent and updated information to create the evidence base for and contribute to creating a labor force that would correspond to the demands of the labor market.

Relationship to CAS/CPF

23. **The proposed operation is well aligned with the Ukraine Country Partnership Framework (CPF), covering the period FY17-21.** Specifically, the proposed operation would contribute directly to the CPF's strategic *Focus Area 3: Efficient, Effective, and Inclusive Service Delivery* and to *Cross-cutting Focus Area: Better Governance, Anticorruption, and Citizen Engagement*. The CPF acknowledges and is fully consistent with Ukraine's commitment to reforms for more sustainable economic development. The *Medium-Term Action Plan Until 2020 and the Priority Action Plan*, adopted in April 2017, set a goal of "increasing standards of living and quality of life via sustainable with a focus on economic growth, good governance, human capital development, supremacy of law and combating corruption, and strengthening security and defense". The proposed operation directly supports the third pillar of human capital development, which will not only improve service delivery, but also make markets work better. The proposed operation will seek to support Ukraine in creating the conditions that improve education service delivery.

Rationale for Bank Engagement and Choice of Financing Instrument

24. **There are several reasons that would justify the World Bank's support for this Program.** First, the World Bank has substantive experience in supporting large government reforms focused on improving equity, quality and efficiency in secondary and higher education systems in ECA, EU member states and across the world. Through the proposed Program, the Bank can play an important role in supporting and strengthening the Government's broader reform program and in improving the articulation, linkages, and sequencing of different aspects of that program, while also building institutional capacity of the MOES and other key stakeholders. Second, the Bank has recently prepared an in-depth sector review which has acted as an input to the identification of priorities in the sector. The findings and recommendations from this study have substantial alignment with the goals of the government's reform program and have provided a strong basis and justification for areas in which the



Government's reform program could be improved or further developed. Third, the World Bank has learnt valuable lessons from its previous education project in Ukraine in 2010 as well as from other projects focused on the service delivery in Ukraine to be able to strengthen this design. Finally, the Bank can play a crucial role in supporting the education reform program while helping to maintain continuity for the program over time.

25. **It is proposed that the Bank's support to the Program would come through a results-based financing (RBF).** This choice has been guided by several key factors. First, the Government of Ukraine has an existing reform program (started in 2017) with high potential for transformative impact on the sector. The Government is now two years into the process of implementing that program and hence has strong ownership of it. Second, RBF will provide incentives for enhanced efficiencies in the system which, to be achieved, require coordination with key stakeholders at different level of government. In this context, disbursement against results is likely to create the right incentives to accelerate reform. Third, the RBF would be aligned with the use of program-based budgeting, to which the MOES is already accustomed. Fourth, RBF will increase the focus on results that can be achieved in the near- and medium-term. Given the public demand for visible change, RBF provides a good option to ensure that the MOES and education sector more broadly focus on delivering visible results. Finally, a key lesson of the previous education investment project supported by the Bank was to focus on building capacity within existing structures associated with the project. RBF is well-designed to build capacity of government systems and support existing structures.

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

The proposed Program Development Objective is to improve conditions for strengthening quality, equity, transparency, and efficiency in upper secondary and tertiary education in Ukraine.

PDO Level Results Indicators

Several proposed PDO-level results indicators are presented below according to the three identified Program components, or results areas:

Component 1: Efficient, Capable and Modern Networks

- Number of specialized secondary schools in consolidated network delivering programs according to new NUS state standards
- Number of consolidated HEIs supported through competitive fund

Component 2: Quality and Equity of Quality

- Number of teachers and principals benefiting from NUS professional development program in line with new NUS state standards for upper secondary education
- Number of HEIs that undergo accreditation process according to ESG

Component 3: Transparency and Public Trust



- New higher education financing mechanism is approved by the Government and implemented
- Number of students benefiting from new student guidance and counselling system established in upper secondary schools (disaggregated by gender)

D. Program Description

PforR Program Boundary

26. **The proposed Program is anchored in the Government's reform program which is articulated primarily in the 2017 framework Law on Education, the strategy note on *New Ukrainian School: Conceptual Principles of Secondary School Reform*, and the earlier Law on Higher Education.** In general, the reform in both levels of education involves transitioning Ukraine's education system towards norms, standards, and practices that are commonly found in European education systems. This involves two main elements: (i) a move away from rote learning, memorization, and overburdened curricula towards 'leaner' and more focused learning programs based on competencies and learning standards; and (ii) a move away from the historically high levels of centralization and control towards more decentralized decision-making, autonomy, and choice.
27. **The proposed PDO is expected to be achieved through a mix of institutional reforms, incentive mechanisms, and specific interventions that are preliminarily designed around three Results Areas (RAs).** These have been identified based on extensive analytical work, a review of global evidence, and lessons learned from past operations in Ukraine and other education results-based operations supported by the World Bank. These results areas are briefly described below and will continue to be refined during further preparation work, in agreement with the Government of Ukraine.
28. **Results Area (Component) 1: *Developing efficient, capable and modern education networks to streamline student pathways from upper secondary to tertiary education.*** This component would finance a series of results linked to the Government's program to optimize and modernize the network of education institutions that are currently providing upper secondary and tertiary education. The aim of this component is to improve both efficiency and quality of service delivery by putting in place the conditions to transition the oversized network of upper secondary and tertiary education institutions to one that is smaller and more fit-for-purpose, while at the same time upgrading and modernizing the capabilities of the network.
29. **Results Area (Component) 2: *Improving Quality and Equity of Quality.*** Under this RA, the Program would finance a series of results that support improvements in the quality of educational content and pedagogical methods in upper secondary education and the strengthening of capacities for internal and external quality assurance in higher education.
30. **Results Area (Component) 3: *Ensuring Transparency and Public Trust.*** Under this RA, the Program would finance a series of results that strengthen transparency and aim to improve public trust in service delivery within the system.
31. **Component 4: Technical Assistance.** This would cover limited areas of technical assistance that are deemed essential to the success of the Program and the achievement of the three afore-mentioned Results Areas. This would include support for communications and outreach, institutional audits, evaluations, technical reviews,



and similar activities.

E. Initial Environmental and Social Screening

32. The Program follows the World Bank’s Policy on Program for Results (PforR). The team will prepare an Environmental and Social Systems Assessment (ESSA) to ensure environmental and social (E&S) sustainability and promote informed decision-making related to E&S impacts. The ESSA will assess existing E&S management systems, propose mitigation measures, and include those in an ESSA action plan and the Program Action Plan.

33. The potential adverse environmental effects of the Program may be generated by activities under the Results Area (Component) 1: *Developing efficient, capable and modern education networks to streamline student pathways from upper secondary to tertiary education*. Although a PforR, by definition, does not finance specific inputs or activities such as civil works, however, it is expected under this Area that the Program may put into place requirements and standards for infrastructure in education institutions that results in associated activities which have environmental safeguards implications. Also, it is likely that the Program would support rehabilitation, reconstruction and refurbishment of existing educational facilities, as well as potential new construction on existing land and closure of some education facilities (EFs). Based on the Environmental Assessment (EA), an action plan will be prepared to strengthen institutional capacity to manage identified gaps and environmental impacts and risks. The EA report, as part of the ESSA, will be disclosed and consulted with all key stakeholders in the country before Appraisal. In terms of social impacts and risks, these are not related to land acquisition and resettlement (LAR) but are largely to ensure inclusion and distribution of program benefits to people across society, mainly disadvantaged and marginalized communities where students may have limited opportunities and facilities for quality education. Hence, as per the Bank directive and guidance note on PforR operations, an ESSA will be prepared by the Bank team.

34. **Citizen Engagement and Grievance Redress Mechanism.** The proposed operation is underpinned by the government’s intention to decentralize and democratize the education system, providing more choice and voice to stakeholders in the system. The government recognizes the importance of communication and outreach as a critical pillar of its reform. As a result, the Program would support multiple mechanisms for feedback loops and beneficiary input, such as beneficiary feedback surveys to inform implementation, make course corrections, and feed into the results framework. A grievance redress mechanism would also be established.

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