

1. Project Data:		Date Posted : 11/01/2012	
Country:	Kyrgyz Republic		
Project ID:	P078976	Appraisal	Actual
Project Name:	Rural Education Project	Project Costs (US\$M):	15.5 15.8
L/C Number:	CH137	Loan/Credit (US\$M):	15.0 15.3
Sector Board :	Education	Cofinancing (US\$M):	
Cofinanciers :		Board Approval Date :	12/14/2004
		Closing Date :	03/31/2011
Sector(s):	Primary education (40%); Secondary education (40%); Central government administration (20%)		
Theme(s):	Rural services and infrastructure (33% - P); Education for all (33% - P); Urban services and housing for the poor (17% - S); Participation and civic engagement (17% - S)		
Prepared by :	Reviewed by :	ICR Review Coordinator :	Group:
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2. Project Objectives and Components:

a. Objectives:

The Project Development Objectives stated in the Development Grant Agreement (p.12) were:
"to assist the Recipient in improving learning and learning conditions in primary and secondary schools, with priority attention to rural areas".

The Project Appraisal Document (p.2) has an identical statement of objectives .

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

No

c. Components:

There were 6 components:

1. **Improved Teacher Incentives** (appraisal \$2.5 million; actual \$ 2.8 million)

This component comprised the following five subcomponents :

- Improvement of existing school based on self-appraisal procedures for teachers and school principals through the development of model performance management arrangements which would elaborate the new performance criteria.
- Development of improved national guidelines and criteria for performance evaluation . The new criteria would address student progress, and would improve comparability of school performance .
- Development of a performance incentive scheme which was structured to map onto the prevailing salary scale for teachers and principals, and pilot implementation of the scheme in Issy -Kul and Talas oblasts .
- Finance rural teacher fellowships for three cohorts of 200 new teachers per year for a duration of three years (a total of 600 new teachers).

- Provide technical assistance and training of teachers, school principals, and education administrators in the implementation of the new performance management system .

2. **School sub-grants for improved learning** (appraisal \$1.8 million; actual \$ 2.4 million)

This component consisted of two subcomponents :

- Learning Improvement Sub-Grants. School teams comprising teachers, principals, and parents in the two pilot oblasts would be assisted to prepare learning Improvement Plans, which described their most urgent learning needs and proposed action programs to address those needs .
- Technical Assistance. This subcomponent supported orientation and training of school teams and rayon and oblast staff, as well as hands-on support to schools and communities, to prepare and implement viable learning improvement plans, including micro-projects.

3. **Textbooks and Learning Materials** (appraisal \$6.7 million; actual \$ 6.1 million)

This component comprised three subcomponents :

- Textbook Provision. This subcomponent was to fund: (a) the development of a new generation of textbooks and teachers' manuals; (b) reprints of existing textbooks and teachers' manuals; and (c) the development and publication of new textbook manuscripts .
- Improvement of the Textbook Rental Scheme . This subcomponent was to provide financing to improve the textbook rental scheme to ensure adequate financing of textbook replacement, and establish a Textbook Rental Fund as an autonomous body with a managing board . (The Textbook Rental Scheme was abandoned in 2006 by a parliamentary decree, and thus was removed from the Development Grant Agreement by an amendment in June 2009. This reflected the Government's decision to finance new textbooks in accordance with the country's legislation to provide all children with a free compulsory education .)
- Provision of Learning Materials . This subcomponent was to support the provision of learning materials such as additional teachers' manuals, supplementary reading materials, library books, maps, globes, mathematical and other scientific instruments, and laboratory equipment .

4. **Student assessment** (appraisal \$1.6 million; actual \$ 2.2 million)

This component comprised five subcomponents :

- Improvement of School-based and Classroom-based Formative Assessment. This subcomponent was to promote "assessment for learning" through the development, field-testing and dissemination of teacher support materials.
- Improvement of Existing Examinations . This subcomponent was to assist the Ministry of Education (MOE) and the Kyrgyz Academy of Education (KAE) to: (a) develop and introduce more challenging questions in the national examinations that would allow students to demonstrate their ability to apply reasoning and independent thinking skills, and (b) make national examinations a better gauge of student ability by abolishing the prevailing assessment practice of using only previously -available test questions .
- Periodic Sample-Based National Surveys of Student Achievement . This subcomponent was to: (i) finance and support at least three follow-up periodic sample-based national assessments of the same skills, based on the same sampling frame; and (ii) support the improvement of test items for these sample surveys .
- Participation in the Organization for Economic Cooperation and Development (OECD) Program for International Student Assessment (PISA) International Student Assessment. This subcomponent was to finance Kyrgyzstan's participation in the 2006 round of the OECD/PISA international student assessment survey, including the routine national and international costs of PISA participation, as established by OECD .
- Capacity Building in Modern Practices and Techniques in Student Assessment . This subcomponent was to strengthen the assessment function of the Ministry by building capacity and specialist expertise and by establishing a sustainable, identifiable professional /technical unit.

5. **Education budgeting and strategic planning** (appraisal \$1.8 million; actual \$ 1.4 million)

This component comprised three subcomponents :

- Capacity building. This subcomponent was to support training technical assistance, and office equipment and software to help establish a new Education Budgeting and Strategic Planning Unit in the MOE .
- Commissioned policy studies . This subcomponent was to support the preparation of four annual cycles of commissioned papers on priority topics of education budgeting and strategy .
- Monitoring and Evaluation. This subcomponent was to support: (i) technical assistance, studies, and surveys to monitor and evaluate project outcomes and broader educational trends; and (ii) actions to provide additional information on the outputs and outcomes of the project, as well as information on broader educational trends .

6. **Project Management** (appraisal \$0.9 million; actual \$ 0.9 million)

This component was to finance: (a) minor refurbishment of the Project Implementation Unit (PIU) office space; (b) adequate office equipment and supplies, and a project vehicle; (c) technical assistance and training for PIU staff in project management, procurement, and financial management; (d) annual external audits of the project; (e) a public information specialist support to the project; and (f) incremental operating cost for the PIU .

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

Cost: Total project costs were slightly above appraisal estimates because US\$ 0.30 million extra became available through currency appreciation . During the project, funds were re-allocated twice among expenditure categories. The first reallocation was done in December 2007 and the second was made in September 2009. Resources were reallocated from component five (education budgeting and strategic planning) to components: one (improved teacher incentives), two (school sub-grants for improved learning), and four (student assessment). Resources were shifted from works and training and reallocated to goods /equipment/materials, sub-grants, consultants' services and teacher incentives . After the Textbook Rental Scheme was dropped, its resources were shifted to textbooks and learning materials .

Financing: The project was financed by an IDA Grant for the Debt Vulnerable . Appraised at US\$15.00 million, US\$ appreciation against the SDR increased the Grant amount to US\$ 15.49 million equivalent of which US\$0.19 million was cancelled. Actual disbursement was US\$15.3 million equivalent.

Borrower Contribution : The Borrower's contribution was \$0.5 million as planned at appraisal.

Dates: The project was expected to begin on March 31, 2005, but was delayed by the fall of the Government on March 17, 2005. The project became effective on May 2, 2005. The project was extended for one year (March 31, 2011) to give additional time to complete (a) fellowship payments to new teachers who had completed three years of service in rural schools, and (b) finance Kyrgyz participation in the OECD Programme for International Student Assessment (PISA) in 2010.

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

Substantial . The objectives were relevant at entry and completion . The focus on rural areas and on improving learning conditions was particularly relevant as 65% of Kyrgyzstan's population live in rural areas which present unique challenges for the delivery of education . The objective of the project was consistent with the aim of the 2003 National Poverty Reduction Strategy to improve access to quality education . The Progress Report (2007-2010) for the Country Assistance Strategy indicated that, while donor support for school refurbishments and provision of supplies had slowed the rate of decline in educational quality, quality remained low and merited continued attention.

b. Relevance of Design:

Substantial . The design of the project involved six components containing 18 subcomponents. The design responded to policy areas to improve the quality of education (i.e. absence of incentives for teachers to upgrade their skills and improve classroom teaching performance, deficiencies in the financing formula for primary and secondary education, and deficiencies in the textbook rental scheme). The emphasis on rural schools through school sub-grants, textbooks, and learning materials was relevant, since rural students in Kyrgyz are much more likely to drop out of school before completing secondary education, than those in urban areas (PAD, p. 85). Because of the lack of financial ability of rural parents to finance costs, there are great differences in the conditions for teaching and learning between the best and worst schools in Kyrgyz . The project did not focus upon the two oblasts classified with the highest levels of poverty, instead it targeted two oblasts (i.e. Issykul and Talas) which contained a higher than average share of poor households and had the second - and third-lowest student performance (PAD, p.8).

The Results Framework provided a logical link between the components /activities and the expected outcomes . objectives, However, the ICR pointed out design weaknesses : (1) the project covered five policy areas with wide ranging and ambitious interventions and (2) an evaluation strategy to compare results of student learning and test attribution to project efforts was not established . (p. 14-15).

4. Achievement of Objectives (Efficacy):

Improve learning in primary and secondary schools, with priority attention to rural areas : Substantial

Outputs:

- 1,005 of schools in both Talas and Issyk-Kul oblasts implemented learning improvement plans meeting the target of 100% coverage.

- Annual yearbooks of education statistics were published for 2007, 2009 and in 2008 and a report devoted to Education for All was written. There was no plan to publish in 2010.
- Five studies on education sector priority topics were commissioned, meeting the target .
- A system for learning assessment at the primary level was introduced, and the ICR also noted that the questions in the learning assessment at the primary level were also revised to include more challenging cognitive skills.
- Nine methodological handbooks/posters were developed.
- Two versions of manuals "Methods of student-centered teaching and learning" and " Formative assessment and methods of student-centered teaching and learning" were written and 10,000 copies in the Kyrgyz and Russian languages were printed.
- The PISA international achievement survey for 15 year-old students in 2006 and 2009 was applied and the ICR reported that the Ministry analyzed results from PISA and used the findings to inform policy and development of its Education Strategy . The ICR (p. 22) also noted that PISA participation, "spurred more interest in improving education quality and using assessment, and [revealed] the need to build national capacity in assessment" .
- Learning Improvement Plans and School Report Cards were developed by the project and, following adoption, are now being used by all schools in the country .
- Following successful piloting of formative assessment in the classroom, the concept for introduction of formative assessment in schools countrywide was finalized . Subsequently, 2,780 teachers, principals, and rayon education managers were trained in its use between 2007 and 2010, and 25,000 copies of manual, "Formative assessment and methods of student-centered teaching and learning", were disseminated.

Outcomes :

There was improvement in the performance of students in Grades 4 and 8 in the targeted oblasts (with one exception), based on two national sample surveys of achievement conducted in 2007 and 2009. (ICR, p. 20, 21).

Year	Oblast	Grade	Subject	Below basic (%)	Basic (%)	Above Basic (%)	Top Level (%)
2007	Issyk-kul	4	Math	61	30	7	2
2009	"	4	Math	50	25	20	5
2007	Talas	4	Math	68	26	5	2
2009	"	4	Math	62	22	15	2
2007	Issyk-kul	4	Reading	64	24	9	3
2009	"	4	Reading	61	29	7	3
2007	Talas	4	Reading	69	22	6	3
2009	"	4	Reading	77	19	3	0
2007	Issyk-kul	8	Math	79	17	4	0
2009	"	8	Math	66	22	10	2
2007	Talas	8	Math	91	9	0	0
2009	"	8	Math	73	18	17	2
2007	Issyk-kul	8	Reading	68	520	9	4
2009	"	8	Reading	59	15	17	9
2007	Talas	8	Reading	85	12	2	1
2009	"	8	Reading	70	16	11	4

In general, more progress was made in decreasing the percentage of students who scored at the below basic level, and less progress in increasing the percentage of students who scored above basic or top level . Improvement was not evident in the Talas oblast in 4th grade Reading. The Results Framework did not specify an improvement target. The ICR also notes that because the project did not establish a more rigorous evaluation design (e.g. did not provide for comparison schools and did not break down data by rural and urban schools), it is not possible to attribute the improved performance only to this project (ICR, p. iii and p.22). Other factors also confound the attribution : (1) sampling frame and (2) provision of interventions nationally . The sampling frame was national, and so inferences may not be appropriate to the oblast level. Even so, the outcomes would be heavily weighted to rural schools that provide almost two-thirds of the results.

Improve learning conditions in primary and secondary schools, with priority attention to rural areas : Substantial

Outputs:

- Number of textbooks delivered to schools . Baseline was 0, Actual was 1,253,597 in 2011 among 68

different type of textbooks in Tajik, Russian, Uzbek, and Kyrgyz language). The ICR reports attainment of indicator, but it is difficult to assess, since no target was established (p. iii and p. 23).

- Resource centers, computer classrooms, multimedia rooms, and libraries were established in the two oblasts.
- 1,082 computers were provided in the two oblasts .
- Learning materials were provided to all schools, including those in non -pilot oblasts.
- New curriculum was published (total number of titles published was 108).
- 60% of teachers in target oblasts were trained in basic computer literacy .
- 287 teachers benefited from the rural fellowship program, narrowly missing the target of 300.
- Communities participated in school management including self -appraisal of school performance and school improvement planning, as well as fundraising .
- 97% of schools in target oblasts were trained in implementing and administering the performance incentive scheme.
- Performance incentive bonuses to School Directors and Deputy Directors to equip schools were paid . (30 schools received the bonus out of 1940 participating schools.) The number of participating schools was not provided in the ICR, but was calculated based on information noted in ICR (p. 24).
- A per capita financing model, including training and technical documents, and regulatory documents was developed.

Outcome:

- The vacancy rate of rural teachers fell from 3,526 (31%) in 2007 to 2,193 (26%) in 2009 following introduction of the teacher fellowship program .
- Of the 257 teacher fellowships granted, 248 remained in the program (retention rate averaged 96% between 2007-2010).
- Performance incentive bonuses were paid to teachers, based on evaluation (2,972 out of 4,950 teachers).
- The per capita financing model was implemented in 400 out of 2,000 schools nationwide.
- The ICR (p.25) reported that 48% to 59% of community members participated in school management and approximately 80% of teachers are involved . About 30% of schools in the system have established Boards of Trustees.

5. Efficiency:

The PAD did not undertake a formal cost-benefits analysis. Instead it provided a benefit incidence analysis which documented the benefit of the project's focus upon rural and basic education .

Efficiency in how the project spent is resources is evidenced by : (1) interventions were targeted to rural/poor children to improve the quality of education; (2) cost savings were generated; and (3) spill-over effects were attained. Project resources were effectively targeted to two oblasts containing higher than average rate of poverty to promote equity. The per capita funding created savings of 6% of the wage bill. The teacher incentive scheme did not have a negative impact on school finances, since schools that delivered more incentives to their teachers did not have to cut positions to finance the additional costs (ICR, p. 24 and p. 45-50). The interventions also provided good value as evidenced by their spill-over effects. Materials developed by the project have been utilized by other schools. Communities provided local contributions (cash and in-kind) were equivalent to 20% to 80% of the school grant, and these contributions were used to improve learning conditions (ICR, p. 35). As noted by the government, project efficiency was also evidenced with decreases in the unit pricing of learning materials (ICR, p. 23). Moreover, the project originally planned to participate in PISA once, but was able to utilize existing resources to participate a second time .

Project efficiency is rated as substantial .

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:

The project's objectives were substantially relevant, as was design relevance . Efficacy of both objectives was substantial because the project improved learning and learning conditions in two oblasts . Improvements in student learning reported in the ICR are difficult to attribute solely to the efforts of the project because of weaknesses in the design of the monitoring and evaluation . Moreover, the project has piloted several promising reforms, including teacher performance and incentive schemes, formative assessment, per capita funding, and school improvement planning . Project efficiency was substantial with its focus upon improving rural education, beneficial spill-over effects, and cost savings generated by the project .

a. Outcome Rating : Satisfactory

7. Rationale for Risk to Development Outcome Rating:

There appear to be adequate arrangements by the government for continuing the future operations .

- The Ministry has developed the Kyrgyz Education Development Strategy (EDS) 2020 and an action plan has been formulated to address the key sector issues of quality, equity and efficiency . The action plan incorporated lessons learned from the piloted interventions used in this project .
- There is general agreement among the government, school directors and teachers that future salary schemes will incorporate a performance incentive component . Under the project, school-based planning and management was introduced . About 30% of schools in the system have established Boards of Trustees. Capacity needs to be built for school-based management, but the initial reforms have increased demand for accountability (ICR, p.19). Parts of the secondary curriculum have been reformed, but there is still a need to complete this process to promote mastery of core cognitive skills and monitor its application in the classroom.
- The Ministry has built its internal capacity in assessment with the implementation of two national sample-based assessments and participation in international assessment (PISA), but there is continued need to strengthen institutional capacity and develop financing mechanisms to ensure that assessment data are regularly available and the results are utilized to inform policy and practice . The government plans to use some of the project indicators in its sector wide monitoring .
- A follow-up project funded under the Fast Track Initiative is under implementation and would use strategies from this project (school accountability and autonomy, professional incentive with performance standards, and aligning the curriculum with student assessment).
- However, political instability in the country is a risk to the development outcomes as they could undermine the Government's commitment to continue the reforms .

a. Risk to Development Outcome Rating : Moderate

8. Assessment of Bank Performance:

a. Quality at entry:

The project design was based on sound technical analysis . Technical analysis included consultation with other donors, Social Assessment established a solid understanding of the education system in Kyrgyz Republic, and lessons the Bank learned from similar projects in the region were fully incorporated . The project addressed the pressing needs of the education system : absence of incentives for teachers, deficiencies in the financing formula, and deficiencies in the textbook rental scheme . Risks were identified, but they did not assess government capacity or stability . However, while the project design appeared overly ambitious (six components and 18 subcomponents) it worked in practice . Not all of the M&E indicators were aligned with components or desired outcomes and some were not clearly defined . No evaluation strategy was put in place.

Quality-at-Entry Rating : Moderately Satisfactory

b. Quality of supervision:

Adequate resources were provided to supervise and monitor project implementation and safeguard and fiduciary compliances . While there was turnover in the position of Task Team Leader during the project, transitions were made smoothly and the change in personnel did not impact project supervision . Bank staff alerted the government and the project Implementation unit to problems with the project implementation, as well as facilitating solutions . For example, when bottlenecks arose, they were fully discussed with the project

implementation unit and plans were made to address them. A Mid-term Review was conducted in October 2007. A review was also conducted of financial management and disbursement practices, including physical inspection of goods.

Weakness in M&E were addressed in 2007 through creation of new indicators. This was done by an international consultant, who assessed the existing data and created a unified project M&E strategy.

Quality of Supervision Rating : Satisfactory

Overall Bank Performance Rating : Moderately Satisfactory

9. Assessment of Borrower Performance:

a. Government Performance:

The Government demonstrated a high level of commitment to the objective of the project. Government officials worked closely with the Bank's project team and cooperated fully with the task team (ICR, p. 29). However, due to political instability there were frequent changes in the Ministry. During the six years of the project, Kyrgyz Republic had three presidents, the administration changed six times; the Minister of Education changed seven times and in the last two years of the project, the Minister changed three times (ICR, p. 16). These changes in the Ministry meant that each new person had to quickly understand the project, objective and activities. Each new Minister had different priorities and approaches in dealing with the project. Thus, over the course of the project, support from the Ministry for the project was inconsistent. The project was extended for one year.

Government Performance Rating Moderately Unsatisfactory

b. Implementing Agency Performance:

This project was implemented by a Project Implementation Unit. There was weak capacity within this Unit during the early years of the project. During the course of the project, the Project Director changed three times (ICR p. 16). However performance of the Unit improved over time with a new Director. This new Director contributed to improved project effectiveness and implementation. Despite the changes of the Director, and frequent changes in the Ministry, the core team of coordinators for each component remained. The core team did a good job of integrating the components (ICR, p. 30).

There were several institutions (National Testing Centre within Ministry, Assessment Department in Kyrgyz Academy of Education, and Center for Education Assessment and Teaching Methods) involved in the student assessment and examination. Coordination problems arose between these institutions, and this slowed project implementation.

The financial management (accounting, budgeting, planning, reporting, external audits, etc.) were acceptable to the Bank. The reports provided by the Unit were generally on time and considered satisfactory. Audit reports were provided by the due date to the World Bank. Most contracts were awarded according to agreed schedule and provision, but some suffered delays. Quarterly and annual reports were submitted in a timely manner. Moreover, the recommendations provided by supervision missions were fully implemented.

Implementing Agency Performance Rating : Moderately Satisfactory

Overall Borrower Performance Rating : Moderately Satisfactory

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

a. M&E Design:

There were several weaknesses with the original Results Framework. None of the 31 indicators were defined

and none of them had measurable targets . While most of the indicators had some relation to the component (26 out of 31), far fewer of the indicators were related to the overall objective (17 out of 31). The design did not include non-project comparison schools to provide a counterfactual .

b. M&E Implementation:

Local consultants were trained by the international M&E consultant . The local consultants provided technical assistance to project coordinators related to M&E system . In 2007, with the help of an international consultant, a new Results Framework was developed which improved the tracking of progress and alignment of the indicators with the objective. After the revised M&E system was developed, data was collected regularly and was analyzed and compared with target values .

c. M&E Utilization:

Data collected by the project were utilized to make recommendations to the Ministry . Data were used to decide the amount to be paid as incentives to teachers . Government plans to incorporate some of the indicators from the M&E system into a broader framework for sector wide monitoring (ICR, p. 19).

M&E Quality Rating : Substantial

11. Other Issues

a. Safeguards:

The project was classified as category "B" under OP4.01 Environmental Assessment and an Environmental Assessment was prepared (PAD, p. 25-26). The PAD indicated that there were no significant environmental issues in relation to the project even though some very minor rehabilitation could be carried out under the school grant program to selected schools . The ICR stated that there were no significant deviations or waivers from the World Bank safeguards and fiduciary policies and procedures during the implementation of the project (ICR, p. 18).

b. Fiduciary Compliance:

The Bank assessed the Project Implementation Unit as having an acceptable internal control system and capable of providing timely information . A Financial Management Manual was established and documented the project internal control procedures . Financial management reports and financial statements for the project were usually received on time and noted to be acceptable . Unqualified (clean) audit reports were provided .

Procurement followed the guidelines under *IBRD Loans and IDA Credits*. Procurement planning was adequate . Payments were in accord with contract terms and payment documents were available . The ICR rated Procurement performance as marginally satisfactory .

c. Unintended Impacts (positive or negative):

d. Other:

None

12. Ratings :	ICR	IEG Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Risk to Development Outcome:	Moderate	Moderate	
Bank Performance :	Moderately Satisfactory	Moderately Satisfactory	
Borrower Performance :	Moderately	Moderately	

	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

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:

The ICR provided the following lessons :

- In a volatile political environment and weak capacity, implementation would be smoother with a simple design and small set of policy interventions .
- Ensuring a project Results Framework that is simple, clear and measurable, but grounded in the broader context of the education sector is essential to developing a M&E system that is useful to both the project and the Ministry .

14. Assessment Recommended? Yes No

Why?

This project merits a deeper look at the teacher performance incentives and per capita funding . It would be worthwhile to combine this project with other similar projects to learn lessons across countries .

15. Comments on Quality of ICR:

The ICR was well written, providing clear and detailed information and was internally consistent . It met the requirements of the guidelines . It contained adequate outcome evidence of achievement of the objectives beyond outputs and indicators and clearly stated the effect of data limitations on drawing conclusions about outcomes. However, the ICR did not provide sufficient information about relevance of design and continued relevance of objectives . Appraisal cost data presented in Annex 1 are not the same as those given in the PAD .

The Borrower provided a clear explanation of the accomplishments and lessons learned from the project .

a. Quality of ICR Rating : Satisfactory