

PROJECT INFORMATION DOCUMENT (PID) APPRAISAL STAGE

Report No.: PIDA22501

Project Name	Belarus Education Modernization Project (P148181)
Region	EUROPE AND CENTRAL ASIA
Country	Belarus
Sector(s)	Secondary education (50%), Primary education (25%), General education sector (25%)
Theme(s)	Education for all (50%), Education for the knowledge economy (50%)
Lending Instrument	Investment Project Financing
Project ID	P148181
Borrower(s)	Republic of Belarus
Implementing Agency	Ministry of Education
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	29-Mar-2015
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Appraisal Review Decision (from Decision Note)	

I. Project Context

Country Context

Belarus experienced strong economic growth and made substantial gains in poverty reduction during the past two decades. Strategically located between the EU and Russia, Belarus's GDP in 2001-2008 grew on average by 8.3% annually, surpassing both the Europe and Central Asia (ECA) region as a whole at 5.7% and the Commonwealth of Independent States at 7.1%. Growth was propelled by a combination of favorable external factors, including strong export demand by key trading partners, especially Russia, underpriced energy imports from Russia and favorable terms of trade for key export goods. The rapid economic development translated into remarkable progress in poverty reduction. The share of people living under the national poverty line declined from 30% in 2002 to 5% in 2010.

However, since the onset of the global financial crisis in 2008, Belarus has experienced significant economic instability. Growth slowed down substantially in 2009, plunging the country into a period of recurring macroeconomic turmoil. A foreign exchange crisis in 2011 led to substantial inflation and devaluation, with the Belarusian Ruble (BYR) losing 70 percent of its value against the US

dollar during the course of the year. A mini-crisis of foreign exchange returned in December 2014 under threat of contagion from the flagging Russian economy. Overall, a weak external environment, accumulated macroeconomic imbalances, and delays in structural reforms have put Belarus on a low growth path. In 2013-2014 real GDP grew tepidly mainly through expansion in domestic demand. Still, the external environment remains weak given the growth prospects in Russia and Ukraine; and the economic outlook for the future shows significant challenges ahead if macroeconomic problems continue and structural reforms are delayed.

Strong and robust economic growth and development in Belarus going forward will necessarily have to rely on the country's human capital. Yet similar to many Eastern European countries, Belarus has a declining and rapidly aging population, which poses additional threats to the future development of the country. In order to compensate for the labor force decline and be able to compete with advanced transition economies like Poland, it is necessary for Belarus to move upmarket through a steady increase in the labor productivity which in its turn requires an adequately prepared workforce. Improving the effective functioning of the education system is thus an important priority for the country. As such, modernization of the sector requires that all students be given the opportunity to receive high quality education necessary to function effectively and productively in a modern society. With advantageous geographic location and an educated labor force, Belarus can restructure its economy, diversify its exports, and increase the prosperity of its people.

Sectoral and institutional Context

Unlike many of its neighbors, Belarus did not undertake wide-scale and disruptive restructuring of its education system after achieving independence in 1991. As a result of this stable continuity, the country has made considerable progress in achieving high levels of enrollment at all levels of education. Net enrollment rates of 97% (pre-primary), 94% (primary), and 96% (secondary) place Belarus on par with most high-income countries of the world, according to 2012 data. Participation rates among females are on par with males at all levels of pre-university education, surpassing males at the tertiary level with gross enrollment rates of 107% for women and 77% for men. High levels of access to university education make Belarus's youth among the most educated in the world. The country maintains strong performance along a range of social indicators, ranking 53rd out of 187 countries in 2014 on the United Nations Human Development Index.

Belarusian authorities have also sought to maintain a fiscally sustainable education sector by adjusting the country's school network in line with declining demographic trends. Under the National Development Program for General Secondary Education (GSE) in 2007-2016, the Government has undertaken an ambitious effort to consolidate the school network. Since the Program's beginning, 673 GSE schools have been closed and 789 reorganized across all 6 oblasts (regions) of Belarus and the city of Minsk, reducing by nearly one-third the number of institutions in rural areas. Students from these schools continue to be provided with education in comparable institutions located in neighboring villages and towns. They often receive transportation on school buses procured through a combination of local and central budget funds or take advantage of other transport means organized within communities. As a result of these optimization measures, the total number of teachers has been reduced by 15% since 2007, while others have been retrained to teach other subjects or transferred to other schools.

The Government is also exploring alternative approaches to school financing. In the 2014 Budget

Law, local authorities were allowed to use resources generated through savings from optimization for increasing the wages of teachers within the existing budget envelope. On January 1, 2015, a pilot project of per-student financing (PSF) was launched in 34 general secondary schools throughout the country. The Belarusian authorities have thus put their education system on a path of transitioning away from input-based financing mechanisms based on outdated norms and toward a more results-oriented approach.

However, important challenges remain for the education sector in several areas:

SCHOOL OPTIMIZATION AND LEARNING ENVIRONMENT. The fast-paced optimization program has not been accompanied by large-scale renovations of the schools to which students are transported when the institution in their village is closed or downsized. As a result, these “receiving” schools offer learning environments that are generally outdated and lacking the inputs associated with quality education provision. A reasonable expectation for students who are being transferred is that they would benefit from a better learning environment, which is not currently the case. The savings from the school consolidation are creating a more efficient system from the financial perspective, but more can be done to ensure a better quality education, in particular for students in more economically disadvantaged areas. School consolidation and the quality of the learning environment are inextricably linked. True efficiency in the sector can only be realized when fiscal savings are complemented with investments in quality-enhancing inputs (qualified teachers, modern facilities, appropriate information technology and laboratory equipment). But in a country where most education spending is determined at the local level, many rayons (districts) lack the resources to provide an adequate learning environment in their rural schools. According to 2010 data, some rayons spend more than 25% of their education budgets on heating alone, leaving little room for the rehabilitation of facilities or laboratory equipment. Yet research increasingly points to positive relationships between the physical conditions of the school and student learning. Students attending schools with an appropriate learning environment (including modern infrastructure, equipment, technology, and learning materials) have shown improvements in learning achievement of 5-10%, leading to higher earnings throughout their lifetime and faster economic growth at the national level. Without investment in better facilities and modern learning inputs, the impact of the efficiency measures from the school optimization program will not be fully realized in terms of better learning outcomes and long-term economic benefits.

QUALITY ASSESSMENT. Little evidence exists today about the quality of education in Belarus. The country remains among the last in Europe to have never participated in any major international assessment of student learning (such as the Programme for International Student Assessment, PISA; Trends in International Mathematics and Science Study, TIMSS; or Progress in International Reading Literacy Study, PIRLS). As a result, little comparable evidence exists about the quality of education Belarus’s schools provide or how that quality has evolved over time. Domestically, Belarusian students take a high-stakes university entrance exam after grade 11, but such exams are not well-suited to accurately assess the quality of education at system level or to analyze trends in performance over time. Additionally, small-scale sample-based assessments of students in grades 4, 8, 9, and 10 are carried out within the framework of the Republican monitoring of educational quality, conducted by the National Institute of Education (NIE) annually since 2003. This system has the potential to evolve into a proper large-scale sample-based assessment that meets international standards, but it requires further development. An evaluation of this system is currently being carried out with the help of the World Bank’s SABER-Student Assessment instrument; its results will be used to inform project activities.

EDUCATION MANAGEMENT INFORMATION SYSTEM (EMIS). Current approaches to decision-making in Belarus's education sector do not effectively utilize data and analytical methods to inform policy. The Ministry of Education collects statistical data from schools on an annual basis and stores it within its systems. However, a single integrated EMIS capable of linking information on school characteristics with data on inputs, outputs, and outcomes of the system and producing on-demand reports to inform policy decisions is currently lacking. The existence of the current database and established data reporting practices makes for a solid foundation for the development of an integrated EMIS in line with international best practices. The high level of IT know-how within Belarus makes it likely that a homegrown solution can be developed to suit the needs of the country's education sector. However, the fragmented nature of current education data collection practices and the lack of demand from policymakers for data analysis present obstacles to evidence-based policymaking. The need for data-informed decision-making is crucial for improving the effectiveness of resource use in education. An assessment of existing systems is currently being carried out using the SABER-EMIS instrument, and its results will be used to inform Project activities.

The Government of Belarus is aware of these challenges and has sought to partner with the World Bank in finding appropriate solutions. In early 2013, the World Bank presented the findings of its Public Expenditure Review for Belarus, which covered the education sector. Among its recommendations were calls to continue to right-size the school network, implement per-student financing, and enhance quality assessment and performance management to strengthen accountability for results. The Government welcomed these findings and requested a Technical Assistance (TA) program in education, which was launched in April 2013. This initial engagement by the Bank in Belarus's education sector has brought international expertise in areas covering school financing, teacher remuneration, and student assessments to Belarusian policymakers. In 2014, the Ministry of Education was awarded a US\$340,000 grant from the World Bank's Institutional Development Fund (IDF) aimed at strengthening domestic capacity for evidence-based policymaking in education.

The proposed Project builds on the work done to date but remains modest in its objectives, given that it is the first ever major international investment in the Belarus education sector. Yet it is demand-driven and responds directly to Government requests for World Bank support, forming an important foundation for long-term cooperation in the sector. Building on this inaugural engagement, the World Bank and the Government of Belarus would develop a strategic plan for cooperation in education over the coming decade through a parallel policy dialogue that goes beyond the infrastructure-focused activities of the proposed project. Possible areas for future partnership include higher education and innovation, vocational education and skills, inclusive education policies and deinstitutionalization of children, among others.

II. Proposed Development Objectives

The objective of the proposed Project is to: (i) improve access to quality learning environment in selected general secondary schools; and (ii) strengthen student assessment and information management systems in education.

III. Project Description

Component Name

Ensuring a quality learning environment in schools receiving students from closed/reorganized

Comments (optional)

The objective of this component is to provide a learning environment that is conducive to quality education in selected schools.

Subcomponent 1.1. Strengthening infrastructure of institutions which receive (or plan to receive) students from schools closed or reorganized under the optimization program.

Subcomponent 1.2: Improving access to and use of laboratory equipment and information technologies in the educational process.

Component Name

Modernization of system management in general secondary education

Comments (optional)

The objective of this component is to facilitate the use of international best practices in assessing the quality of education and using data analysis for education system management.

Subcomponent 2.1. Improvements to the national student assessment system.

Subcomponent 2.2. Participation in international student assessments.

Subcomponent 2.3. Improvement of the existing Education Management Information System (EMIS) to facilitate the use of data analysis for supporting sector management decisions.

Component Name

Project implementation support

Comments (optional)

The objective of this component is to ensure adequate support for the implementation of the proposed Project activities.

IV. Financing (in USD Million)

Total Project Cost:	50.00	Total Bank Financing:	50.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
Borrower			0.00
International Bank for Reconstruction and Development			50.00
Total			50.00

V. Implementation

The project will be implemented over a five-year period by the Ministry of Education of the Republic of Belarus. The Ministry would have the overall responsibility for project coordination and monitoring of implementation progress. The Ministry would delegate the responsibility for managing the day-to-day preparation and implementation of the proposed Project, including overall fiduciary responsibilities, to the Directorate for Construction Projects of the Belarusian State University (DCP-BSU).

The DCP-BSU is a State Enterprise subordinate to the Ministry of Education, having 15 years' experience of management and supervision in the construction and rehabilitation of education facilities. Within the DCP-BSU, a Project Implementation Unit (PIU) will be created and will

include a project coordinator, a construction engineer, a safeguards specialist, a financial management specialist, a procurement specialist and a translator, among others. The PIU may also be supported with outside specialists on an as-needed basis. In addition to coordination, administrative, and fiduciary responsibilities, the DCP-BSU will be responsible for the technical implementation of Component 1.

Technical expertise and responsibility for Component 2 will be delegated to three organizations subordinate to the Ministry of Education: the National Institute of Education (NIE) – subcomponent 2.1, the Republican Institute for Knowledge Control (RIKC) – subcomponent 2.2, and the Main Information Analytical Center (GIAC) – subcomponent 2.3. DCP-BSU will liaise with these organizations to ensure a smooth and unified approach to procurement and financial management under the Project. The Ministry of Education would retain the responsibility for strategic guidance and overall project oversight.

VI. Safeguard Policies (including public consultation)

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

Comments (optional)

VII. Contact point

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