

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

Report No.: PIDA26469

<b>Project Name</b>	Higher Education Development Project (P146184)
<b>Region</b>	SOUTH ASIA
<b>Country</b>	Afghanistan
<b>Sector(s)</b>	Tertiary education (100%)
<b>Theme(s)</b>	Education for the knowledge economy (100%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P146184
<b>Borrower(s)</b>	Islamic Republic of Afghanistan
<b>Implementing Agency</b>	Ministry of Higher Education
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	03-Jun-2015
<b>Date PID Approved/Disclosed</b>	06-Jun-2015
<b>Estimated Date of Appraisal Completion</b>	01-Jun-2015
<b>Estimated Date of First Grant Approval</b>	29-Jun-2015
<b>Appraisal Review Decision (from Decision Note)</b>	

## I. Project Context

### Country Context

Afghanistan has played a prominent role in world history. The country is strategically located at the intersection of Central, South and West Asia, and is bordered by several nations including China, Iran, Pakistan, Tajikistan, Turkmenistan and Uzbekistan. The great silk route of ancient times ran through Afghanistan. The country has a population of about 28.6 million people in a land area of around 650,000 square kilometers of mainly mountainous terrain.

Afghanistan is a country with a Gross Domestic Product (GDP) per capita of US\$ 666 in 2014. The country experienced exceptionally high growth between 2003 and 2012, when real GDP grew at an average rate of nine percent annually. Dynamism in the economy was driven by investments in reconstruction activities, security and ancillary activities, large aid inflows and periodic spikes in agriculture production. In particular, the services and construction sectors experienced strong growth during these years. In 2014 the growth rate slowed to 2.4 percent, mainly due to security concerns, the global economic downturn and lower aid flows. However, Afghanistan has potential for strong economic growth in the future, especially in the agriculture, mining, natural resources and service sectors.

Strengthening education outcomes and accelerating human capital accumulation is at the heart of the Afghanistan National Development Strategy (ANDS). The government is fully aware of the strategic importance of education in the modern global knowledge economy. Human capital development is one of the top priorities relating to the country's economic growth and poverty alleviation goals. Policy makers also recognize the contribution education can make to the promotion of civic values and attitudes needed for a modern, enlightened democracy, and the development of a socially cohesive nation.

Afghan policy makers perceive higher education as a vital engine of economic growth and human development. The higher education system produces the pool of high level human resources, such as policy makers, professionals, managers, administrators, academics and technical experts, who are essential for economic development. The availability of well-educated human resources will be of central importance for the overall future development of the country. In this context, the GoA, under the leadership of the Ministry of Higher Education (MoHE), has prepared a second National Higher Education Strategic Plan (NHESP II) to underpin the development of higher education over the period 2015-2020. The NHESP II outlines a broad development framework and an annual rolling implementation plan.

### **Sectoral and institutional Context**

Afghanistan has an under-developed higher education sector. The gross enrollment rate (GER) in higher education, at about six percent in 2014, is one of the lowest in the world. Among countries comparable to Afghanistan in terms of income per capita and/or geographical proximity, only a few countries such as Burundi, Chad, Eritrea, Gambia and Niger have lower higher education participation rates. Countries with per capita incomes closest to Afghanistan, such as Guinea and Togo, have higher participation rates. The 1980s and 1990s were a turbulent and violent period in the country and education attainment levels declined, and especially among women. Less than two percent of women aged 19-24 years are enrolled in higher education. This is one of the lowest proportions of women participating in higher education world-wide. The percentage of female academic staff members at public universities, at only fourteen percent, is also very small.

The higher education system needs to expand with a strategic focus on the future economic development of Afghanistan. At present Afghanistan has 24 public universities enrolling 141,000 students and 12 small public higher education institutes which enroll about 7,500 students. There are also private higher education institutes that enroll approximately 130,000 students. About 20 percent of students enrolled in the universities and higher education institutes are female. While the total number of universities and institutes appear adequate, the number of students enrolled in these institutions is insufficient, as seen from the low gross enrollment rates. In addition, rising numbers of students are completing secondary education, and there is growing demand for higher education from young Afghans. Currently, less than one-sixth of secondary school completers seeking admission to universities can be offered places.

The country requires a major increase in the number of university graduates to create a modern, well-educated workforce. In addition, the number of female graduates needs to increase sharply to promote gender equity and empowerment. The MoHE is aware of this urgent need. The MoHE also recognizes that it is important to increase higher education enrollment in degree programs that are in demand in the labor market, and can contribute directly to economic growth and social development. The NHESP II seeks to expand higher education enrollment over time, but with a

special focus on priority degree programs drawn mainly from the sciences, technology engineering and medicine (STEM).

The quality of university education needs to improve urgently. Quality in higher education has multiple dimensions. These include the quality of the academic performance of teachers and students to reach international standards for their disciplines and study programs; the economic and social relevance of the skills of graduates; the research outputs of academic staff, such as journal articles, books, monographs and patents; and the community services provided by universities. The various dimensions of higher education quality are, in turn, the result of a number of inputs and processes, and their interactions and inter-relationships. Afghanistan needs to improve higher education quality across a variety of dimensions, as discussed below.

University teaching and learning needs to be modernized. Teaching at Afghan universities is largely traditional, with teacher-centered pedagogy and passive student learning. International trends in universities are increasingly moving toward active student centered learning (SCL) and outcome-based education (OBE). These also combine with blended learning where on-line e-learning methods are integrated with on-site, face-to-face interaction between students and teachers. Afghan universities need to modernize teaching and learning to reflect and keep pace with these international trends.

The pool of qualified academic staff needs to be expanded urgently. The quality of academic staff is the crucial determinant of the quality of a higher education system. Yet, there is a severe shortage of adequately qualified academic staff in Afghan universities. The number of Ph.D. qualified academic staff in Afghanistan is less than five percent. Most universities have either no Ph.D. qualified academic staff or just one or two such staff members. Even the number of faculty staff with Master's degrees is low. Only thirty-one percent of academic staff members have a Master's degree. The majority of university academic staff, sixty-five percent, has only Bachelor's degrees. The country needs to staff its universities with appropriately qualified academics as a high and urgent priority.

The governance of higher education is outdated. The organization and conduct of the Afghan higher education system reflects an earlier era, when governments exercised strong central control over public higher education institutions. The governance framework of modern higher education systems award greater autonomy to public universities and create an enabling environment for good quality private higher education institutions. The Afghan higher education system needs to be modernized with greater authority and accountability at the institution level. Academic autonomy is important to enable innovations in curriculum design, teaching-learning methods, assessment procedures, and research and development. Procedural autonomy is important to empower universities to take initiative and leadership for their own development. GoA has recently taken important steps in this direction, including passing a by-law allowing universities to exercise fiscal autonomy.

The licensing, quality assurance and accreditation of higher education institutions (HEIs) has to be developed to reflect international standards and practices. The MoHE has an embryonic quality assurance system and accreditation system for public and private higher education institutions. However, the quality assurance and accreditation system urgently needs to be raised to a new and considerably higher level. This requires the development of a systematic process of external quality assurance (QA) reviews which cover both public and private higher HEIs, and which then feeds

into the annual rolling plan of the NHESP II framework. In addition, all universities need to develop well-functioning internal quality assurance units (IQAU) to conduct internal quality reviews and feed these into university development plans. The licensing and accreditation of both public universities and private HEIs as part of one integrated system needs to be developed. Finally, licensing, quality assurance and accreditation needs to have more 'outward-oriented' approach which reflects international developments. This extends beyond confirmation of the quality and standards of higher education provision in the Afghan context and requires benchmarking with standards in the Asia-Pacific Region and beyond.

Greater quality enhancement of the private higher education sector is required. The GoA recognizes the importance of promoting private sector participation in higher education for the long-term development of the country. A number of higher private education institutes have opened in the last decade. However, these mainly provide pre-degree professional education. The MoHE intends to be more actively involved in developing private universities, both as a cost-effective strategy to expand access and enrollment, and promote the delivery of quality degree programs relevant for the labor market. To achieve this objective the private higher education institutions need to be drawn fully into the quality assurance and accreditation framework of the MoHE.

The research output of Afghan universities is insignificant. For example, accordingly to bibliographic data only 62 research outputs originated in Afghanistan from 1964 to 2013, while there were 5,813 and 85,381 research outputs originating from Nepal and Pakistan, respectively. The promotion of research is a vital next step in the development of higher education in Afghanistan. First, research is an important and distinguishing mandate of universities. Second, academics engaged in research are likely to be more up-to-date than other academics, and hence better able to teach current state of knowledge to students. Third, research and innovation can make a vitally important contribution to economic and social development. Fourth, research and consulting services can enable universities to raise revenues to for future growth.

The NHESP-II recognizes these challenges and seeks to develop the higher education system to address them. In particular, the NHESP-II seeks to orient the development of the higher education system to promote the economic and social development of the country. The NHESP-II also recognizes that the development of the various universities needs to be sequenced, depending on the starting point of each institution. In this context, the older and more established universities are to be developed as national centers of excellence, with their degree programs and research outputs seeking to meet the overall economic needs of the country. The newer universities in the provinces are to be developed as regional centers of excellence, with their degree programs and research outputs seeking to meet the regional economic needs of the provinces in which they are located.

#### Higher Level Objectives to which the Project Contributes

The proposed Project is consistent with the most recent Interim Strategy Note for the Islamic Republic of Afghanistan and the World Bank's strategy to improve equitable service delivery and promote prosperity in Afghanistan. The Bank supports GoA's overall vision of "an education sector that engenders a healthy workforce with relevant skills and knowledge that is of central importance for long-term economic growth". In line with GoA's growth strategy, HEDP would support Afghanistan's drive to improve human development, including a broad spectrum of higher education development initiatives. The Bank and USAID are the only major development partners providing assistance for higher education.

The World Bank has played an integral role in the reconstruction of the higher education system in Afghanistan. The Bank supported the Afghanistan Strengthening Higher Education Project (SHEP), which began in 2005 and was completed in June 2013. SHEP's objective was to progressively restore basic operational performance of the sector through support to 12 core universities and the MoHE. SHEP achieved this objective through investments in human resource development, curriculum standardization and the restoration of basic physical infrastructure such as lecture rooms, laboratories, and libraries in the 12 selected universities. The HEDP builds on the achievements of SHEP, incorporating lessons into the design of the new operation.

## II. Proposed Development Objectives

The project development objective is to increase access to, and improve the quality and relevance of, higher education in Afghanistan.

## III. Project Description

### Component Name

Component One: Higher Education Development Program

### Comments (optional)

The HEDP will use an Investment Project Financing (IPF) instrument based on the Results-based-financing (RBF) modality. Under RBF component one (RBF), project funds will be disbursed against selected line items in MoHE's annual budgets (eligible expenditure programs, EEPs) up to capped amounts and conditioned on achievement of the agreed set of disbursement linked indicators (DLIs). The DLIs for the HEDP reflect priorities for development. These include intermediate outcomes that build cumulatively over the lifespan of the HEDP to improve access, quality and relevance of the higher education system. This component will support the reforms initiated through the NHESP-II, and will focus on outcomes and results rather than inputs.

### Component Name

Component Two: Program Operations and Technical Support (estimated cost US\$10 million)

### Comments (optional)

Progress toward the achievement of the PDO would be measured by:

- a. Increased student enrollment in universities in priority degree programs for economic development.
- b. Expanded number of universities implementing and monitoring strategic institutional development plans consistent with the National Higher Education Plan.
- c. Increased number of full-time academic staff members with at least a Master's degree in priority degree programs for economic development.

These are the key outcomes of the HEDP. All indicators, where relevant, would be measured by gender.

## IV. Financing (in USD Million)

Total Project Cost:	50.00	Total Bank Financing:	0.00
Financing Gap:	0.00		
<b>For Loans/Credits/Others</b>			<b>Amount</b>
Borrower			0.00

Afghanistan Reconstruction Trust Fund	50.00
Total	50.00

## V. Implementation

The project will be implemented by the MoHE. The Ministry will be directly responsible for implementation of the national-level activities, including strategy and program formulation, monitoring and evaluation, and technical support. Universities, which are under MoHE, will directly implement institution-level activities such as internal quality assurance reviews, human resource development of academic and managerial staff, and the adoption of innovative teaching and learning practices. Institutional arrangements are based on GoA's own institutional framework for the delivery of higher education services. MoHE and universities will be able to draw on national and international expertise, as well as the government, the private sector and civil society, to strengthen the quality and effectiveness of the project.

The MoHE will be assisted by the HEDP Operations and Monitoring Support Team (OMST) to provide operational support and to coordinate and monitor project activities including at the university level. MoHE will establish the OMST and appoint its Director with terms of reference, satisfactory to the Bank. The project will have a Steering Committee (HEDP SC) to provide policy direction and project oversight. The HEDP SC will be chaired by the Minister of Higher Education and will include Deputy Ministers, the Director of Planning and Policy, the Director of Administration and Finance, and the Director, OMST who will serve as Secretary to the HEDP SC. Each university will establish a university-level Steering Committee (University SC), led by the Chancellor which will be responsible for overall planning, implementation, decision making and monitoring and evaluation of project activities. Arrangements, policies and procedures to guide project implementation on a day-to-day basis are included in the Project Implementation Manual (PIM).

### Results Monitoring and Evaluation

The HEDP will devote special attention to the M&E of results and outcomes. The objectives of M&E are to: (a) track implementation of the project, and strengthen the efficiency of it where needed; (b) assess the results achieved under each project component and sub-component; and (c) evaluate the overall outcomes of the project. M&E activities will commence from the beginning of HEDP and continue until project completion, and assess project inputs, processes, results, and intermediate outcomes and outcomes. A detailed results framework has been developed for the project in the Project Appraisal Document. This framework comprises a set of project outcomes and intermediate outcomes with annual targets to provide a continuous picture of project performance. The indicators focus on critical milestones of project performance. The outcomes constitute the key performance indicators that reflect the overall development objectives of the project. The HEDP will also strengthen MoHE's capacity by supporting an M&E specialist in the OMST to collect data from relevant data bases, and compile and analyze the data according to HEDP's outcomes and results indicators.

### Sustainability

The sustainability of the Project will be enhanced by several factors:

Government ownership and commitment to reforms: Afghan policy makers are strongly committed to improving the development of higher education to produce the pool of high level human resources such as policy makers, administrators, managers, entrepreneurs, engineers, medical personnel, highly skilled technicians, as well as qualified teachers and academics that is essential for economic development. The GoA, under the leadership of MoHE, has developed NHESP-II, after wide-ranging consultations with key stakeholders. The HEDP will support the implementation of the GoA's higher education reform program as outlined in the NHESP II.

Technical viability: The project design is based on international knowledge and experience, the findings and analysis of the World Bank assessment of the Higher Education Sector (2013), and successful experience in implementation of the SHEP. Detailed discussions during project preparation with MoHE's team responsible for NHESP-II and the design of the HEDP ensured that the activities supported are viable and that the Project will deliver the expected benefits. The Project's design and implementation arrangements pay particular attention to building of capacity in the MoHE and universities ranging from higher education policies and academic activities to monitoring and evaluation, project management, procurement, financial management and environmental and social safeguards.

Fiscal sustainability of HEDP investments: The result of the fiscal impact and sustainability analysis indicates that project allocations would not create an undue fiscal burden on the overall higher education sector budget. Therefore, sustaining expenditure when the operation closes would not be a fiscal burden.

## VI. Safeguard Policies (including public consultation)

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

**Comments (optional)**

## VII. Contact point

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