

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC2293

Project Name	MN Education Quality Reform Project (P148110)
Region	EAST ASIA AND PACIFIC
Country	Mongolia
Sector(s)	Primary education (100%)
Theme(s)	Education for all (60%), Education for the knowledge economy (40%)
Lending Instrument	Investment Project Financing
Project ID	P148110
Borrower(s)	Government of Mongolia
Implementing Agency	Ministry of Education and Science
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	02-Dec-2013
Date PID Approved/ Disclosed	02-Dec-2013
Estimated Date of Appraisal Completion	10-Mar-2014
Estimated Date of Board Approval	31-Jul-2014
Concept Review Decision	Track I - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

1. Mongolia is the least densely populated country in the world. It is the second largest landlocked country in the world and has a large nomadic population. The number of urban inhabitants has grown rapidly in recent years; almost half the population now lives in the capital city, Ulaanbaatar (UB). This has resulted in an education system that is characterized by a large number of medium- or small-sized schools that are geographically isolated. Unit costs increase significantly as the distance from UB increases.

2. Mongolia is divided administratively into UB and 21 aimags (provinces). UB is divided into districts and khoros (city wards). The aimags are divided into districts known as soums, and soums are divided into baghs (villages). The rural areas continue to be largely agricultural and the incidence of poverty remains high. Urban poverty is also growing, and both rural and urban areas have significant service delivery challenges, although these are very different in nature.

3. While the first decade following Mongolia's transition in 1990 to a market-based economy saw sluggish growth, the past decade has seen a dramatic turnaround, driven largely by the burgeoning mineral sector. Mongolia's Gross Domestic Product has grown at an annual rate of eight percent for ten years and is projected to experience double digit growth for the next several years. However, this period of growth has also been characterized by a rise in perceptions of income inequality and persistent labor market stagnation.

4. Mongolia has a young population; about 60% are under thirty years of age. While fertility rates have fallen sharply—more so than in any other country in the world—resulting in a declining number of school age children over the past decade, this trend is reversing, and the number of school-aged children is expected to grow over the next decade. Mongolian is spoken by 95% of the population; Kazakh is spoken by the remaining 5%.

Sectoral and Institutional Context

5. The education system in Mongolia has been experiencing a period of reform over the past decade. The entrance age into primary school was lowered during this period from eight years of age to six. The length of the basic education cycle was increased from ten to twelve years. The education system now consists of five years of primary school, four years of lower secondary school, and three years of upper secondary school. Upper secondary school is free but not compulsory. Many schools also offer pre-school programs of two or three years in length. The first cohort of students to have completed the full twelve-year cycle will graduate in 2020.

6. Mongolia has done well in extending access to pre-primary and basic education since its transition. Basic education enrollment has recovered with the economy. The 1990s saw a drastic decline in school enrollment ratios; the 2000s witnessed its recovery to the pre-transition level in pre-primary through lower secondary education; the current decade will likely see an extension of access in pre-primary and post-primary education. The national net enrollment rates of 90% and 82% for primary and secondary education, respectively, compare favorably with middle income countries around the world.

7. The issue of gender in Mongolian education is in many ways the reverse of what is seen in most countries at a similar stage of economic development. Both genders show roughly 100% completion rates for primary education, but girls achieve slightly more secondary schooling and much more tertiary education than boys. Momentum over the past decade has swung in favor of boys. Boys' primary school enrollment rates are now slightly ahead of girls, and the difference in secondary enrollment rates has declined from over 10% to 1% in less than a decade. Girls still represent 60% of tertiary enrollments, although here too the differences are declining rapidly. Recent achievement tests show little difference in learning outcomes for boys and girls, although for both genders, learning levels are worrisomely low. The area of clearest gender bias in the education sector is that of employment: men represent only 4% of the primary school teaching force but 45% of school-level management (school directors and teaching managers).

8. Having successfully extended access to basic education, the Government has now placed a much sharper focus on improving the quality of primary and secondary education. With nearly 30 percent of the population under the age of 14 and 12 percent under the age of 5, and in light of the rapid changes and emerging issues the country is facing -- managing its mineral wealth, transitioning to middle-income status, handling increasing rural to urban migration, and responding to the structural changes in its labor market -- MES has stated its intention that Mongolia's

education system be a provider of high quality skills and a key driver of growth. As such, Mongolia's education system will need to deliver not just a greater quantity of skills (the share of the population with a certain level of education and training), but also greater quality skills (better cognitive, non-cognitive, and technical skills that will help its citizens deal with complex and unexpected tasks and to continue to learn throughout their lives). This imperative implies a sharpened focus on increasing the quality of education, starting from the earliest ages.

Key Issues Facing the Education Sector

9. Several challenges must be addressed if the Government is to deliver on its promise of higher quality education. A brief summary is given below:

- The lack of learning materials in urban areas has inhibited the student experience.
- Available information on student learning outcomes shows alarmingly low performance, and disparities exist between Ulaanbaatar, aimag centers and soums.
- The lack of a systematic and institutionalized comparable assessment of student performance, starting from the earliest years is a large obstacle in improving the quality of basic education.
- The quality of teaching in primary and secondary schools in Mongolia is an area of prime concern.
- Preliminary findings from a Bank-commissioned study on how teachers are groomed, retained, and maintained reveals a teacher training system that is not very dynamic, and does not appear to be reaching a high level of quality in terms of preparing teachers for future service.
- Finally, instructional time in Mongolian schools is relatively low.

10. To address these issues, MES has recently introduced a rigorous reform agenda to improve the quality of basic education. This agenda – “The Educational Quality Reform Program” - centers on three pillars. The first pillar is called “The Book Project” (the scale-up of READ). The second pillar is a Teacher Development and Upgrading Program. And the third pillar is a so-called “Talent Program,” which is a school grants program to increase discretionary spending at the school level.

Relationship to CAS

11. Mongolia adopted a Comprehensive National Development Strategy in 2008. This document established a first-phase target of achieving the Millennium Development Goals by 2015, and a second-phase target of transitioning to a knowledge-based economy by 2021. The World Bank has developed a Country Partnership Strategy (CPS) for Mongolia that is aligned with the Comprehensive National Development Strategy.

12. The World Bank's Country Partnership Strategy for Mongolia identifies three areas which the Bank will support between FY13 and FY17: (i) enhancing Mongolia's capacity to manage its mining economy, (ii) building a diversified basis for economic growth and employment, and (iii) addressing vulnerabilities through improved access to services, safety net provision, and disaster risk management. Better delivery of basic education services is identified as one of the outcomes of the third area of intervention. The CPS notes that improved education services are essential to the country reaching its income targets. It calls for both growth- and equity-enhancing investments, with policy and institutional frameworks and delivery systems geared to efficient use of incremental resources. It further notes significant disparities in educational access by location and the need to improve learning outcomes.

13. The proposed project is consistent with both the Comprehensive National Development

Strategy and the Country Partnership Strategy. It aims to improve delivery of education services with a focus on both quality and equity. Its strategy of scaling up evidence-based approaches to improve learning outcomes, while building system capacity to provide classroom-level support, is well aligned with the CPS call for policy and institutional frameworks and delivery systems to promote the more efficient use of new resources.

14. The proposed interventions are also aligned with the Bank's twin goals of eradicating extreme poverty and increasing shared prosperity. The literature on human capital has documented the positive correlation between human capital investment and social and economic development. Investments in education significantly contribute to poverty eradication and wealth creation, as higher educational attainment significantly increases the probability of getting a paid job and has a large and positive impact on monthly wage earnings. This well-known contribution laid the foundation for one of the landmark pledges at the 2000 UNESCO-sponsored World Education Forum in Dakar that provided a sustainable and well-integrated sector framework – Education for All – that clearly linked education with poverty elimination and social and economic development.

15. Since the Dakar forum international evidence has shown that access to and permanence in the education system, while necessary, are not sufficient to achieve reduced poverty and greater shared growth. Basic education systems need to be of sufficient quality to ensure that their graduates acquire the basic, soft, and sector-specific skills needed to function efficiently and effectively on the job, adapt as workers or managers in a rapidly evolving technological society, and innovate and compete as entrepreneurs not only in developing new products but also in adopting those produced elsewhere.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

16. The Project Development Objective is to improve the quality of education for primary school children in Mongolia with particular emphasis on improving reading and math learning outcomes.

Key Results (From PCN)

17. The key performance indicators will be:

- (i) The average number of words read correctly per minutes at end of Grade 2.; and
- (ii) At the end of grade 2, the average number of (a) correct oral counting per minute; (b) correct additions and subtractions per minute; and (c) correct identified missing numbers in a sequence per minute.

III. Preliminary Description

Concept Description

18. The proposed operation would support MES's Educational Quality Reform Program to help improve the quality of basic education for all Mongolian children. The project will improve student learning by creating a consistent results focus within the education system and strengthening the system's capacity to provide classroom-level support for teaching and learning. A national assessment system would be created, providing real-time feedback to teachers and administrators about learning levels; proven interventions to improve reading would be taken to national scale. The operation's interventions complement the existing interventions of Mongolia's development

partners and will build capacity within the Ministry to sustain the interventions once the proposed project closes. The project activities would be consistent with Mongolia's stated intent to achieve the Millennium Development Goals by 2015 and transition to a knowledge-based economy by 2021. The project activities also closely align with the framework of the World Bank's Country Partnership Strategy and its call for stronger policy and implementation frameworks to provide more effective educational services.

19. The project comprises four components:

20. Component 1: Improving reading competencies and acquiring basic math skills (estimated cost: US\$7 million). The purpose of this component is to ensure that by the end of second grade of primary school, Mongolian students are able to read fluently and acquire basic numeracy and math skills (like oral counting, additions and subtractions and identification of missing numbers in a sequence). This purpose is to be achieved through the implementation of the following two sub-components.

21. Sub-component 1.1 would involve a scaling up of the existing READ program to achieve national coverage. Specific activities to be financed include the provision of books and materials, creation of school libraries, a public reading campaign, the development of scientific and mathematics-focused children's books, content development for special needs children, including those with disability, and an impact evaluation/assessment.

22. Sub-component 1.2 will support the national rollout of Early Grade Reading and Mathematics Assessments (EGRA and EGMA) as well as the national assessment for 5th grade. With respect to EGRA and EGMA, the project will support: (i) the development and validation of the assessment instruments; (ii) the training of teachers in appropriately using these assessment instruments and interpreting results; (iii) the on-site monitoring and support on the correct use of these instruments; and (iv) the development of corrective and/or preventive policy and tailored-made interventions derived from the administration of these instruments by teachers in order to improve learning outcomes in reading and mathematics in the first two grades of primary schools in the entire country.

23. With respect to the rollout of the national assessment for fifth grade, the project will support: (i) strengthening the Education Evaluation Center to administer and analyze national assessments for Grades 5; (ii) developing and validating the standardized assessment test for fifth grade; (iii) providing training to school administrators and teachers in preparation for the nationwide administration of the national assessment test for fifth grade including: (iv) administering the assessment tests to fifth grade primary school students; (v) scoring and grading the assessment tests; (vi) data capturing and entry; (vii) developing and administering quality control mechanisms of the results; and (viii) using the results of the assessments to support system pedagogical and curricular improvement.

24. Component 2: Pre- and in-service professional development of teachers (estimated cost: US\$3 million). The purpose of this component is to upgrade teacher quality by helping teachers develop the appropriate tools to provide individualized support for all children improving their learning outcomes, in particular reading and mathematical skills for first and second graders. This purpose is to be achieved through the implementation of the following two sub-components.

25. Sub-component 2.1 will support primary education Teacher Training Colleges throughout the country. The project will support: (i) the provision of high quality teaching and learning equipment and materials especially associated to early grade reading and mathematics; (ii) the provision of in-service training to teacher trainers; and (iii) a review of the practicum programs for teacher trainees, in particular as they relate to the teaching and learning practices of early grade reading and mathematics. Both pre- and in-service training programs will develop: (a) sample scripts that would help teachers initiate children into reading, with a focus on phonemic awareness and print exposure; and (b) teaching methods and materials to improve oral counting, rational counting, number recognition, comparison of quantity, number sequencing, mathematical reasoning and the operations of addition and subtraction, skills that have been shown to be highly predictive of later mathematical skills.

26. Sub-component 2.2 will support pedagogical in-service training for teachers and the improvement of academic leadership of school principals. The sub-component will finance the: (i) provision of pedagogical training to teachers especially concerning the use of early grade learning materials for reading and mathematics; (ii) provision of in-service training and hands-on support to school principals; and (iii) strengthening the capacity of and providing enabling support to district and provincial education officers, school principals and teachers.

27. Component 3: Implementation of a school grants program (estimated cost: US\$10 million). The purpose of this component is to scale up MES's "Talent Program" of school grants, currently being rolled out in 100 pilot schools, to the rest of the primary schools in the country. This component will provide about \$3,000 per school per grant for them to implement an approved school quality enhancement proposal.

28. Component 4: System management, monitoring and evaluation (estimated cost: US\$5 million). The purpose of this component is to support the MES to effectively implement the project with the support of qualified TA. The TA will include: (i) financial management and procurement specialists attached to the office of the Project Director; and (ii) qualified consultants attached to the various working groups that have been established for the implementation of this project as indicated in the Implementation Arrangement Chapter of the PAD. This component will also finance the carrying out of an impact evaluation study to assess the effectiveness of the project in improving reading and mathematics learning outcomes in the first two grades of primary schools. The objectives of this component will be achieved through supporting the Department of Monitoring and Evaluation of the MES to integrate student-learning outcomes into tracking of learning trends, and supporting the capacity building of the MES in: (i) financial management and internal audit; and (ii) procurement.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
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	

V. Financing (in USD Million)

Total Project Cost:	25.00	Total Bank Financing:	25.00
Financing Gap:	0.00		
Financing Source		Amount	
BORROWER/RECIPIENT		0.00	
International Development Association (IDA)		25.00	
Total		25.00	

VI. Contact point

World Bank

Contact: Prateek Tandon
 Title: Senior Economist
 Tel: 473-6449
 Email: ptandon@worldbank.org

Borrower/Client/Recipient

Name: Government of Mongolia
 Contact:
 Title:
 Tel:
 Email:

Implementing Agencies

Name: Ministry of Education and Science
 Contact: Ts. Bayarkhuu
 Title: Head, Finance and Investment Division
 Tel: 976-11-265696
 Email: bayarkhuu@mecs.gov.mn

VII. For more information contact:

The InfoShop
 The World Bank
 1818 H Street, NW
 Washington, D.C. 20433
 Telephone: (202) 458-4500

Fax: (202) 522-1500

Web: <http://www.worldbank.org/infoshop>