



<b>1. Project Data:</b>		<b>Date Posted :</b> 11/15/2001	
<b>PROJ ID:</b> P002972		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Educ Sector Adj Cred	<b>Project Costs (US\$M)</b>	302	311
<b>Country:</b> Uganda	<b>Loan/Credit (US\$M)</b>	155	155
<b>Sector(s):</b> Board: ED - Primary education (97%), Tertiary education (3%)	<b>Cofinancing (US\$M)</b>	58	58
<b>L/C Number:</b> C3049			
	<b>Board Approval (FY)</b>		97
<b>Partners involved :</b> DFID, Danida, EU, Ireland, USAID	<b>Closing Date</b>	12/31/2000	12/31/2000
<b>Prepared by :</b>			
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<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
<p>The Education Sector Adjustment Credit (ESAC) provided core budget support (rather than earmarked project aid) for a policy of Universal Primary Education (UPE.) The Education Sector Adjustment Operation Policy Matrix (Annex 2, page 1 of the MOP) is used to state the objectives and the outcomes expected :</p> <ol style="list-style-type: none"> <li><b>1. Clarify UPE Policy</b> - the targeted outcome being "Wide understanding of respective roles by parents, schools, communities, districts, Central Government and donor community ."</li> <li><b>2. Increase Resources Available to UPE</b> - this implied more resources for primary education, the target being 19.5% of total recurrent government expenditures in FY 1998/99 and 17.5% in 1999/00. Other resources were to be raised by reducing funding of tertiary education, and sustaining parental contributions for primary education .</li> <li><b>3. Increased Efficiency in the Use of Resources</b> - comprising introduction of double shift teaching, piloting of multi-grade teaching, a plan to prevent excess supply of teachers and expansion of classroom construction through innovative financing methods involving communities, the private sector and government .</li> <li><b>4. Protecting Quality Inputs</b> - this was to be achieved inter-alia by lowered pupil:textbook ratios, and strengthening of teacher training by extending the Teacher Development Management System (TDMS) to cover all districts.</li> <li><b>5. Strengthening Sector Management</b> - an Education Management Information System (EMIS) was to be the basis for eliminating "ghost" teachers, reducing the hiring of untrained teachers, ensuring timely payment of salaries, implementing a system for monitoring and accountability of fund use and preparing district development plans.</li> </ol> <p>The broad development objective of ESAC was to assure that increased resources were made available to sustain a sudden and dramatic growth in enrollment following Government's commitment to UPE in 1997 and a long period of civil war and its aftermath. Five external agencies (DFID, Danida, EU, Ireland and USAID) united under Bank leadership to support the Education Strategic Investment Plan (ESIP.) Initially donors used the ESIP as a framework for their earmarked budgetary support but have increasingly shifted to the non -earmarked approach adopted by the Bank.</p>			
<b>b. Components</b>			
<p>This was an adjustment loan - the traditional identification of separable expenditure components is not possible . The IDA funds that were disbursed would represent 73% of the total estimated support for the primary education budget by donors. The largest expenditure category was teachers salaries (58% of the total primary education budget), instructional materials (6%), classroom construction (11%) and transfers to the Districts (18%), the balance being unclassified development budget items.</p>			
<b>c. Comments on Project Cost, Financing and Dates</b>			
<p>Total IDA financing was \$ 155 million of which \$75 million was a grant in the context of the HIPC (Heavily Indebted Poor Countries) initiative on debt.</p>			
<b>3. Achievement of Relevant Objectives:</b>			
<p>Project objectives were mainly achieved. Though the quality of education was not protected to the extent expected, resources available to primary education increased, resource use became more efficient, and sector management</p>			

was strengthened. More specifically:

(a) The increase in enrollments in 1997 was sustained by the project. The share of recurrent expenditure on primary education exceeded 20% on average during the project. Increases in resources for UPE were partially achieved by re-allocating funds from tertiary and secondary education activities, but the main source of funding for achieving the increase was grant aid. The project sustained the government UPE policy, which was associated with a significant reduction in wealth and gender differentials in primary enrollments.

(b) Community support for and understanding of the UPE policy remains uneven. To the extent that multi-grade and multi-shift teaching were a part of UPE, the government was unable to convince the public of the soundness of this part of the policy. Double shifting has not been embraced by stakeholders other than the Ministry.

(c) Resource use became more efficient, but there was a decline in quality of outputs /outcomes as well as inputs. Pilots in multi-grade teaching have not had much impact on "massively overcrowded classrooms." Progress has been made in classroom construction using community-based approaches which in future will be funded from a School Facilities Grants (SFG) with the pupil:classroom ratio projected to decline from 120:1 currently, to 70:1 by 2005.

(d) The dramatic deterioration in key inputs, which occurred in 1997 due to the surge in enrollments, is gradually being reversed. However, the project did not meet its targets for partially averting a decline in education quality. For example, textbook:pupil ratios average 6.7:1 in core subjects, compared to a target of 3:1. "The policy matrix condition to allocate at least 2.8% of the primary education recurrent budget to instructional materials was symbolic compared to actual needs." Student:teacher ratios were about 65:1 in 2000, compared to a target of 55:1 and a baseline, pre-UPE, of 40:1. There is a persistently high variation among districts - urban areas have much lower ratios. Classrooms remain overcrowded with a classroom-pupil ratio of 1:120. The impact has been made worse by failure of the double shift policy and unexpectedly cumbersome teacher recruitment procedures.

(e) Accountability and transparency in resource use has improved - guidelines issued by the Ministry of Education and Science include publication in the press and public display of amounts received by schools. An "Integrity Survey" in 1998 identified the education sector as one of the least corrupt. Another study in 2000 indicated that 90% of funds allocated by Ministry of Finance reached schools (up from 28% in 1996.) Administration of teacher salaries has improved and the teacher training system rationalized with closure of small Primary Teacher Colleges.

#### 4. Significant Outcomes/Impacts:

1. Uganda became the first country in Africa to implement an education Sector Wide Approach (SWAP) without the lengthy and complex preparations and negotiations characterizing SWAPs in countries such as Zambia and Ethiopia.
2. The project established a framework for coordinated donor support for UPE.
3. Responsibility for the implementation of the ESAC-supported investment program was placed clearly in the regular units of the Ministry of Education rather than parallel project implementation units.
4. Recurrent costs, especially teachers salaries and text books were integrated into a broader public expenditure and medium-term budget framework.
5. Changes in the way education was financed and managed provided a much stronger institutional base than in 1996 for dealing with the issues of education development.
6. The community-based classroom construction program was a major and successful innovation.
7. Social demand for education has been sustained "in spite of the often limited instructional effectiveness in schools, deprived of even the barest minimum of quality inputs."

#### 5. Significant Shortcomings (including non-compliance with safeguard policies):

1. 70% of sector spending comes from donor grants and external support for education has actually led to a decline in real value of GOU's additional expenditures, placing sustainability on a foundation which will weaken in the long-term. The MOP recognizes the importance of local taxes, strong community ownership, accountability to parents and targeted subsidies to the poor, but sustainability is fragile, based as it is on continued aid from external donors.
2. There were extensive delays caused by lengthy administrative and procurement procedures.
3. A far reaching curriculum reform should not have been attempted at the same time as dealing with the implementation of the UPE program.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Highly Satisfactory	Satisfactory	Three of the four objectives were achieved. The project was unsuccessful at meeting its targets for averting a decline in education quality. Evaluated as

			an emergency program, a timely response to a rapid expansion of primary education for 6-12 year olds, the operation was satisfactory.
<b>Institutional Dev .:</b>	Substantial	Substantial	
<b>Sustainability :</b>	Highly Likely	Likely	a) The decline in the quality of education makes the system vulnerable to abandonment by students who do may not learn enough to find school worthwhile and could compromise UPE goals. b) The high reliance of the program on continued grants and assistance from external donors puts sustainability on shaky ground, despite the high political commitment to UPE.
<b>Bank Performance :</b>	Highly Satisfactory	Satisfactory	The Bank carried out a pioneering dialogue with the government on UPE prior to the effectiveness of this project . During the project the Bank tried to protect the quality of education, but the project design was too ambitious to make this possible, as reflected in QAG's assessment of quality-at-entry.
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		Satisfactory	

**NOTE:** ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

#### 7. Lessons of Broad Applicability:

1. Mobilizing parents and other stakeholders to play their role was a critical component of the implementation strategy which helped to keep the enrollment on the rise and to contain dropout rates .
2. For effective use of a budget support strategy, tranche release must be explicitly linked to policy change, framed in a robust macro framework and grounded in a long -term sector policy and financial plan . Under these circumstances a sector-wide approach can greatly improve the coherence and transparency of external assistance, reduce the management burden on the recipient government and enhance the quality of the policy dialogue.
3. A central contracting approach results in classrooms that are about twice the cost (\$10,000) of those constructed by the community-managed approach (\$5000.)
4. "Big Bang" policies for UPE will almost inevitably result in severe disruptions of the functioning of the system and jeopardize the quality of instruction . A more gradual approach, e.g. free primary education, beginning with 6 and 7 years old enrolling in first grade, would have avoided some of the most serious problems .

#### 8. Assessment Recommended? Yes No

**Why?** The project brings together poverty and education policies in the context of emergency operations in severely distressed countries, which are emerging from decades of disruption and civil war .

#### 9. Comments on Quality of ICR:

Satisfactory and well presented. The ICR, however, misquotes the MPO stated objective as "improvement in the allocation of resources." It requires further analysis to assess whether or not increased spending on education represented an improvement in the allocation of resources . The actual MOP objective was "to increase resources allocated to education", which is much easier to evaluate and was achieved . Although the project fell short of its targets in preventing a decline in education quality, a comparison of what actually happened with the counterfactual (what would have happened without the project) would have provided better information on the project's accomplishments in this area.