

# PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC2412

<b>Project Name</b>	Higher Education Expansion and 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>	Ministry of Finance
<b>Implementing Agency</b>	Ministry of Higher Education
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/ Updated</b>	07-May-2014
<b>Estimated Date of Appraisal Completion</b>	17-Nov-2014
<b>Estimated Date of Board Approval</b>	11-Dec-2014
<b>Concept Review Decision</b>	

## I. Introduction and Context

### Country Context

Afghanistan has played a prominent role in world history. The country is strategically located at the inter-section of Central, South and West Asia, and is bordered by six nations, China, Iran, Pakistan, Tajikistan, Turkmenistan and Uzbekistan. The great silk route of ancient times ran through Afghanistan. The country has a population of about 35 million people living in a land area of around 650,000 square kilometers of mainly mountainous terrain. Afghanistan has experienced a long period of instability and violence, and is classified by the Bank as a conflict affected and fragile state.

Afghanistan is a low-income country with a Gross Domestic Product (GDP) per capita of US\$ 640 in 2012. The country experienced exceptionally high growth between 2003 and 2012, when the real GDP grew at an average rate of 9 percent per year. The dynamism in the economy was driven by investments in reconstruction activities, security and ancillary activities, large aid inflows and periodic spikes in agriculture production. The services and construction sectors, in particular, experienced strong growth in these years. In 2013 the growth rate slowed down, partly due to the effects of the downturn in the global economy, and partly due to security concerns and lower aid

flows. However, there is potential for stronger growth over the medium-term, especially in the agriculture, mining, natural resources, and service sectors. A stable political environment following the Presidential election and the transition of security arrangements to Afghan security forces from 2014 onwards would greatly help promote growth.

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 rising importance of human capital in modern economic production activities and processes. Education is one of the top three priorities relating to the country's economic growth and development in the ANDS. In addition, policy makers recognize the contribution that education can make in promoting the civic values and attitudes needed for a modern, enlightened democracy, and to the development of a socially cohesive nation.

The commitment of the Government of Afghanistan (GoA) to education is apparent in the strong gains made over the last decade. In 2002, the gross enrolment rate (GER) for primary school children was about 40 percent for girls and 86 percent for boys, respectively. By 2013, the GER had increased to 69 percent for girls and 93 percent for boys, respectively. Gross secondary school enrolment increased for girls from 6 percent in 2003 to about 35 percent by 2013, and for boys from 17 percent in 2003 to about 65 percent in 2013. The government is now implementing measures to strengthen the quality of general education, which will further increase the number of students completing secondary education over time. The government is also developing the vocational and technical training sector to improve the quantity and quality of skills in the economy.

The rapid rise in the number of students completing secondary education in recent years is generating very strong demand for higher education. For instance, in 2013 about 123,000 students completed secondary education and were eligible for higher education: but the public university system at present can absorb only about 51,000 students. The number of secondary school completers is expected to more than double by 2020, exerting additional pressure to increase in-take capacity of the universities. The government is seeking to respond urgently to this need, which if unmet can lead to social instability.

Afghan policy makers perceive higher education as a vital engine of growth and development. The higher education system produces a pool of high level human resources, including policy makers, administrators, managers, entrepreneurs, engineers, medical personnel, highly skilled technicians, as well as qualified teachers and academics, that are essential for economic development. The availability of such a pool of well-educated human resources will be of central importance for the overall future development of the country.

### **Sectoral and Institutional Context**

Afghanistan has an under-developed higher education sector. The higher education gross enrollment ratio (GER), at 5 percent, is one of the lowest participation rates world-wide. Among countries comparable to Afghanistan in terms of income per capita and/or their geographical proximity, only three countries, Burundi, Chad and Eritrea, have lower higher education participation rates.

Countries with per capita incomes closest to Afghanistan, such as Guinea and Togo, have higher participation rates. There are two main reasons for the low enrollment in higher education in Afghanistan. First, the 1980s and 1990s were a turbulent and violent period in the country, and education attainment levels declined. This affected all levels of education, including higher education. Second, the conflict and the ensuing political and cultural environment had a negative impact on higher education attainment among women in particular. Consequently the female higher

education enrollment rate in Afghanistan, which stands at only one percent of the age cohort, appears to be the lowest proportion among all countries world-wide.

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 to the sector through support to a set of 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 core universities. In addition, it supported the development of a framework for Quality Assurance (QA) and Accreditation in the MoHE. Although SHEP faced several challenges, it was successful in achieving its overall objective. Its design and implementation has provided a valuable set of lessons for the Bank for future engagement in the higher education sector in Afghanistan. The proposed Higher Education Development Project (HEDP) will build on the achievements of SHEP, and incorporate the lessons learned from it to inform the design of the new operation. Following on the basic reconstruction phase, the key challenge facing Afghanistan now is to develop the higher education sector. There are, at present, two central requirements for the development of university education in the country.

The strategic expansion of the university system is urgently needed. The country will require a substantial number of graduates to create a modern, educated workforce of professionals, technocrats, researchers, managers and administrators, for future economic and social development. In addition, there is strong demand for university education from an increasing number of students completing secondary education, and this demand needs to be met in to improve economic progress and the sharing of prosperity. Further, the quantity of female graduates in the country needs to increase in the interests of gender equity and the empowerment of women. All these factors require an expansion of the university system. It is vitally important this this expansion is strategic, and focuses on degree programs that are of importance for future economic and social development, such as agriculture, engineering, medicine and allied health sciences, ICT, science, technology, English, management, accounting, and public administration.

The quality of university education also 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 university education quality are, in turn, the result of a number of inputs and processes, and their interactions and inter-relationships. Policy makers in the country consider the improvement of quality to be one of the foremost priorities for the future development of higher education.

Some of the current issues facing the sector in each of the key dimensions of quality are as follows:

Outdated teaching and learning approaches: Currently, teaching and learning are largely traditional, with teacher-centered pedagogy and passive student learning. International trends in universities are increasingly moving towards student centered, outcomes-based education, combined with “blended” learning where on-line e-learning methods are integrated with on-site, face-to-face interaction between students and teachers. Afghan universities urgently need to catch-up and keep abreast of

these international trends in teaching and learning.

**Staffing:** There is a severe shortage of adequately qualified academic staff in Afghan universities. Currently, the number of Ph.D qualified academic staff in Afghanistan is less than 5 percent. The majority of the Ph.D qualified academic staff are in just three universities: Kabul, Kabul Polytechnic and Nangarhar. Most universities have either no Ph.D. qualified academic staff or just one or two such staff members. Further, even the number with Master's degrees is low. Only 34 percent of academic staff members have a Master's degree. The majority of university academic staff, 61 percent, has only Bachelor's degrees. The quality of academic staff is the crucial determinant of the quality of a higher education system. Therefore the country needs to staff the universities with appropriately qualified academics as a high and urgent priority.

**Quality Assurance:** The Afghanistan MoHE has commenced the development of a Quality Assurance system. The MoHE has initiated the process of external and internal quality assurance, with the development of protocols and procedures, training of staff, and implementation of reviews. The Quality Assurance and Accreditation Directorate of the MoHE implements external quality assurance reviews of public and private universities. The universities also have Internal Quality Assurance Units (IQAUs) to assist with the internal review processes. While there has been good progress on quality assurance at a basic level in the recent past, the system now needs to be raised to a new level. This would require the development of a more 'outward-oriented' approach to quality assurance: not just providing confirmation of the quality and standards of higher education provision in the Afghan context, but also benchmarking with standards in the Asia-Pacific Region and even globally.

**Autonomy:** Afghan public universities have historically operated in a centralized structure with only moderate autonomy. There have been limitations and constraints for the public universities to exercise academic and administrative autonomy. Academic responsibilities such as the establishment of academic standards and curricula, awarding of degrees, promotions and transfers of staff, the introduction of new courses, and the elimination of obsolete courses, have also been centralized in the MoHE. Procedural responsibilities such as budget execution, procurement and purchase of material, and financial management, too have been centralized in the MoHE.

Higher education policy makers, recognizing the constraints of a centrally managed and funded public university system, are now introducing measures to increase academic and procedural autonomy in universities. Academic autonomy is especially important to empower university academics and researchers to take initiative and leadership for the development of their universities through appropriate development of curricula, teaching-learning methods, and assessment procedures. Academic autonomy is also vitally important for the production and dissemination of higher quality research. The Government of Afghanistan has also taken an important step in support of increased institutional autonomy through a by-law on university autonomy towards the end of 2013. The by-law allows universities to exercise limited fiscal autonomy for expansion and development purposes. For instance, the law allows universities to open bank accounts, secure and generate resources through grants, and earn income through the provision of intellectual services. In addition, the law allows greater powers in budget execution, including procurement and financial management, to the universities. The by-law will initially be operationalized and implemented at the four Kabul-based public universities. Implementation will be expanded to other public universities over time.

Role of the private sector: The GoA recognizes the importance of promoting private sector participation in higher education for the long-term development of the country. A number of private education institutes has opened in the last decade or so, but these mainly provide pre-degree occupational training. The MoHE would like to be actively involved in developing private universities, both as a cost-effective strategy to expand access and enrollment, and to promote the delivery of quality degree programs relevant for the labor market. In this context, the government needs to develop a suitable accreditation framework, which facilitates the registration, quality assurance and accreditation of private higher education providers within a rigorous and recurring process.

Promotion of research: The Afghan universities produce very little research. The shortage of adequately qualified academic staff, and a scarcity of resources, has prevented universities from engaging in research on any significant scale. However, the MoHE appreciates the importance of research, and the strong and positive link between research and good quality teaching. The promotion of research is a vital next step in the development of higher education in Afghanistan.

### **Relationship to CAS**

The World Bank Interim Strategy Note (ISN) (2012-2014), focuses on three themes that underpin the Bank's country assistance strategy for Afghanistan: a) building the legitimacy and capacity of institutions; b) equitable service delivery and; c) inclusive growth and jobs. The proposed project is very clearly aligned with this strategy; and in particular with the first and third themes because a well-developed higher education system has a vital role to play in: i) improving the capacity of key institutions by ensuring a pool of human resources with sufficient skills and knowledge to support these institutions and; ii) ensuring the human capital needed to address the economic needs of the country. The Bank is strongly committed to continuing assistance to Afghanistan beyond 2014. The proposed project is strongly aligned with the Bank's and other donor thinking on the future assistance for Afghanistan beyond 2014, where the improvement of human capital and skills is one of the priority areas for future support.

## **II. Proposed Development Objective(s)**

### **Proposed Development Objective(s) (From PCN)**

The project development objective is to improve quality and relevance, and expand participation, in higher education

### **Key Results (From PCN)**

The success of the project in terms of meeting its key objectives are to be measured by the following indicative outcomes:

- Expanded enrollment of students in priority degree programs.
- Increased numbers of academic staff graduating with Master's degrees or above from priority degree programs.
- Increased stakeholder satisfaction levels.
- Number of universities that prepare and implement approved Institutional Development Plans.

Baseline information for each of these outcomes will be obtained during project preparation. The data will also be disaggregated by gender, where relevant and applicable.

The project results framework will also have a set of intermediate outcome indicators, which will act as milestones to the achievement of the final outcomes indicators. During project preparation if a disbursement-linked indicator (DLI) approach is adopted, some of the intermediate outcome indicators would become the DLIs.

### III. Preliminary Description

#### Concept Description

The proposed project contains two components: a) a Higher Education Development Component that would finance strategic initiatives to develop the higher education sector; and (b) an Innovation, Results Monitoring and Coordination Component that would support project coordination, monitoring and evaluation, research and policy studies, and communication. The project is intended to support the overall GoA higher education program. The project would also seek to complement and supplement the assistance provided by other development partners, such as the USAID funded Afghanistan University Support and Workforce Development Program (AUS/WFD) which assists 10 public universities, and the scholarship programs for Afghan students from countries such as India, Malaysia and Turkey.

The proposed HEDP would follow the framework of Investment Project Financing (IPF). However, within this framework, the task team would explore the option of using a disbursement-linked indicator (DLI) approach. The funds under the Higher Education Development Component would be released for eligible expenditure programs upon the achievement of disbursement linked-indicators. The Innovation, Results Monitoring and Coordination Component would follow the standard IPF financing modality.

### 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:	100.00	Total Bank Financing:	0.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			0.00
Afghanistan Reconstruction Trust Fund			100.00

Total	100.00
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