

Document of
The World Bank

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Report No: PP2114

PROJECT PAPER

ON A

PROPOSED GRANT

IN THE AMOUNT OF US\$ 0.340 MILLION

TO

UKRAINE

FOR A

“Strengthening Evidence-Based Policymaking with Education Statistics and Analysis”
PROJECT

December 16, 2016

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CURRENCY EQUIVALENTS

(Exchange Rate Effective December 1, 2016)

Currency Unit = UAH (Ukrainian hryvnia)
US\$ 1 = UAH 25.68

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

CAS	Country Assistance Strategy
CD	Country Director
CPF	Country Partnership Framework
CPS	Country Partnership Strategy
EA	Environmental Assessment
ECA	Europe and Central Asia
EMIS	Education Management Information System
FM	Financial Management
FY	Fiscal Year
GDP	Gross Domestic Product
GNI	Gross National Income
GRS	Grievance Redress Service
IEA	Institute of Educational Analytics
IFC	International Financial Corporation
IFR	Interim Financial Report
MOES	Ministry of Education and Science
OECD	Organisation for Economic Co-operation and Development
OP/BP	Operational Policy/Bank Procedures
PDO	Project Development Objective
PISA	Programme for International Student Assessment
PP	Procurement Plan
PPSD	Project Procurement Strategy for Development
SPD	Standard Procurement Document
TFSCB	Trust Fund for Statistical Capacity Building
UAH	Ukrainian Hryvnia
USD	United States Dollar
VfM	Value for Money
WB	World Bank

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Practice Manager:	Mario Cristian Aedo Inostroza
Task Team Leader:	Igor Kheyfets

UKRAINE
Strengthening Evidence-Based Policymaking with Education Statistics and Analysis

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APPRAISAL DATA SHEET

Ukraine

Strengthening Evidence-Based Policymaking with Education Statistics and Analysis (P161312)

PROJECT PAPER

EUROPE AND CENTRAL ASIA

0000009252

Report No.: PP2114

Basic Information			
Project ID P161312	EA Category C - Not Required	Team Leader(s) Igor Kheyfets	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 31-Jan-2017	Project Implementation End Date 31-Jan-2019		
Expected Effectiveness Date 31-Jan-2017	Expected Closing Date 31-Jan-2019		
Joint IFC No			
Practice Manager/Manager Mario Cristian Aedo Inostroza	Senior Global Practice Director Amit Dar	Country Director Satu Kristiina J. Kahkonen	Regional Vice President Cyril E Muller
Approval Authority			
Approval Authority CD Decision			
Borrower: Ukraine			
Responsible Agency: Ministry of Education and Science			
Contact: Telephone No.:	Lilia Hrynevych 380442262661	Title: Email:	Minister hrynevych@mon.gov.ua
Responsible Agency: Institute of Educational Analytics			
Contact: Telephone No.:	Oksana Denysiuk 380444869851	Title: Email:	Director info@iea.gov.ua

Project Financing Data(in USD Million)											
Total Project Cost:	0.40				Total Bank Financing:	0.00					
Financing Gap:	0.00										
Financing Source					Amount						
Borrower					0.06						
Trust Fund for Statistical Capacity Building					0.34						
Total					0.40						
Expected Disbursements (in USD Million)											
Fiscal Year	2017	2018	2019	0000	0000	0000	0000	0000	0000	0000	
Annual	0.08	0.18	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Cumulative	0.08	0.26	0.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Institutional Data											
Practice Area (Lead)											
Education											
Contributing Practice Areas											
Proposed Development Objective(s)											
The development objective of this project is to strengthen the capacity of Ukrainian education authorities to utilize administrative, statistical, and learning assessment data and analytical methods to inform policymaking.											
Components											
Component Name					Cost (USD Millions)						
Development of an integrated Education Management Information System (EMIS)					0.17						
Preparation for participation in the Programme for International Student Assessment (PISA)					0.07						
Institutional capacity building					0.10						
Compliance											
Policy											
Does the project depart from the CAS in content or in other significant respects?								Yes [X]			No []
Explanation:											
There is currently no active CPS or CPF for Ukraine. The previous CPS for FY12-16 has expired, while											

the next CPF is currently under development.

Does the project require any waivers of Bank policies?	Yes []	No [X]
Have these been approved by Bank management?	Yes []	No []
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No []

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

Legal Covenants			
Name	Recurrent	Due Date	Frequency
Description of Covenant			

Conditions		
Source Of Fund	Name	Type
Description of Condition		

Team Composition

Bank Staff				
Name	Role	Title	Specialization	Unit
Igor Kheyfets	Team Leader (ADM Responsible)	Senior Economist	Senior Economist	GED03
Karina Mostipan	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist	Senior Procurement Specialist	GGO03

Irina Babich	Financial Management Specialist	Sr Financial Management Specialist	Senior FM Specialist	GGO21
Dmytro Donets	Team Member	Consultant	Procurement Consultant	GGO03
Jayne Njoki Dzewela	Team Member	Senior Program Assistant	Legal Assistant	LEGLE
Lucia Casap	Team Member	Operations Officer	Operations Officer	GED03
Luis M. Schwarz	Team Member	Senior Finance Officer	Senior Finance Officer	WFALN
Luz Meza-Bartrina	Counsel	Senior Counsel	Senior Counsel	LEGLE
Maria Lourdes Quiogue Kasilag	Team Member	Paralegal	Paralegal	LEGLE
Patrick A. Biribonwa	Team Member	Program Assistant	Program Assistant	GED03
Vidya Narasimhan	Team Member	Finance Officer	Finance Officer	WFALA

Extended Team

Name	Title	Office Phone	Location

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments

I. STRATEGIC CONTEXT

A. Country Context

1. Ukraine is a conflict-affected lower middle income country located in Eastern Europe. In 2014 it had a population of 45 million and a GNI per capita of US\$ 3,560 (Atlas method, current US\$)—a decline from US\$ 3,760 in 2013 and well below the ECA regional average of US\$ 6,892. Despite moderate successes in reducing absolute poverty, average real incomes have stagnated and population has declined by 13 percent since 1991. A series of economic crises have been exacerbated by demographic decline and unstable political environment. More recently, a simmering conflict in the country’s east and loss of control over part of its territory contributed to a sharp contraction in GDP (by approximately 12 percent in 2015), as well as spiking inflation and sharp devaluation of the currency.

2. Political turmoil precipitated by the “Euromaidan” revolution in 2014 has led to a reorientation of Ukraine towards European integration and a rhetoric supportive of wide-reaching social and economic reforms. A reform-minded government has initiated long overdue modernization of a number of sectors with help from the international community. Yet progress on reforms is uneven and impeded by continued political and macroeconomic instability. Nevertheless, the window of opportunity for reform is currently open, as policymakers continue to express willingness to tackle tough challenges faced by their country.

B. Sectoral and Institutional Context

3. Ukraine’s education sector has long been in need of profound modernization and structural reform. The main challenges include (i) optimization of the school network and efficient use of budget resources, (ii) quality of education and its assessment, and (iii) management of the sector at all levels using modern evidence-based techniques. With respect to efficiency, the sizable demographic declines that Ukraine has experienced over the past two decades have led to a reduction in the number of children of school age, particularly in rural areas. Yet no commensurate reduction in the number of education institutions has taken place, leading to reduced school and class sizes and increasing unit costs of education provision. With regard to quality, Ukraine does not currently participate in internationally comparable systems of learning assessments, making it difficult to accurately evaluate the quality of education it provides. Despite high rates of secondary school completion and university enrollment, studies show large gaps between the skills possessed by graduates and those demanded by the labor market. Lastly, sector management still relies largely on outdated Soviet-era methods of prescriptive norms and lack of autonomy and accountability.

4. The latter of these challenges is exacerbated by a lack of tradition of evidence-based policymaking, as well as weak statistical and analytical capacity at all levels of the education system. However, ambitious reforms have been initiated since 2014 to increase autonomy and accountability of local actors. Several pieces of legislation have been introduced to bring Ukraine’s education in line with international standards, reform the financing mechanisms within the sector, and decentralize decision making. The government has also committed to Ukraine’s first ever participation in the Programme for International Student Assessment (PISA), a triennial measurement of learning among 15 year olds conducted by the Organisation of Economic Co-

operation and Development (OECD), starting in 2018. New bodies have been set up to enhance the analytical capacity of the education sector—including the Institute of Educational Analytics (IEA) under the Ministry of Education and Science (MOES)—and modernize the statistical practices to inform evidence-based policymaking. The task of modernizing the national information system in Ukraine aims to meet the demand from various governing bodies to improve the collection, processing, and analysis of statistical data in order to obtain a complete picture the functioning of the education sector and enhance its governance and management.

C. Higher Level Objectives to which the Project Contributes

5. The proposed project contributes to the World Bank’s twin goals of reducing poverty and boosting shared prosperity by supporting the modernization of Ukraine’s education system. Investments in education have long been linked with lower levels of transmission of intergenerational poverty. However, for these investments to be effective robust monitoring and evaluation of learning outcomes and education system management— two areas supported by the proposed project—are essential. The proposed project is also aligned with the World Bank Group’s Education Strategy 2020 “Learning for All”. By supporting the strengthening of education sector management and learning assessment systems, the proposed project would contribute to the “invest smartly” pillar of the education strategy.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

6. The development objective of this project is to strengthen the capacity of Ukrainian education authorities to utilize administrative, statistical, and learning assessment data and analytical methods to inform policymaking.

B. Project Beneficiaries

7. The main beneficiaries of the proposed project include the users and producers of education statistics in Ukraine, as well as administrators and policymakers engaged in the management of the country’s education sector. In particular, these include the Ministry of Education and Science and its subordinate agencies (such as the Institute of Educational Analytics, the proposed implementing agency); local education authorities at the region, district, and school level; students, teachers, and parents, as well as other stakeholders engaged in the education process.

C. PDO Level Results Indicators

8. The key results expected from the proposed project include:

- (a) Upgraded Education Management Information System (EMIS) is fully operational.
- (b) Open data portal is functional and allows stakeholders to access relevant EMIS data.

- (c) Qualified specialists are trained to prepare the national analytical report using PISA 2018 data.

III. PROJECT DESCRIPTION

A. Project Components

Component 1. Development of an integrated Education Management Information System (EMIS) – approximately US\$ 172,500

9. The objective of this component is to support the development of a modern EMIS that contributes to evidence-based policymaking based on modern education statistics. This component will be divided into four sub-components:

- (a) Sub-component 1.1. Integration and quality assurance of existing databases.
- (b) Sub-component 1.2. Database security certification.
- (c) Sub-component 1.3. Development of an open data portal.
- (d) Sub-component 1.4. Training and analytical capacity building.

Component 2. Preparation for participation in the Programme for International Student Assessment (PISA) – approximately US\$ 69,500

10. The objective of this component is to strengthen the capacity of Ukrainian authorities to participate in PISA 2018 and analyze the subsequent assessment results. This component will be divided into two sub-components:

- (d) Sub-component 2.1. Preparation for PISA implementation.
- (e) Sub-component 2.2. Capacity building for the preparation of the PISA 2018 national report.

Component 3. Institutional capacity building – approximately US\$ 98,000 (in addition to in-kind contribution from the Recipient of approximately US\$ 60,000 over the life of the Grant)

11. The objective of this component is to build institutional capacity of the Institute of Educational Analytics and ensure adequate support for Grant implementation. This component will be divided into three sub-components:

- (a) Sub-component 3.1. Institutional capacity building.
- (b) Sub-component 3.2. Grant implementation support.
- (c) Sub-component 3.3. Audit.

B. Project Cost and Financing

12. The proposed project will be financed through a Recipient Executed Grant from the Trust Fund for Statistical Capacity Building (TFSCB) over a period of two years (FY17-FY19). The total amount of Grant financing is US\$ 340,000, which will be supplemented by US \$60,000 in in-kind co-financing from the Recipient.

Project Components	Project cost	Grant Financing	% Financing
1. Development of an integrated Education Management Information System (EMIS)	\$172,500	\$172,500	100.0%
2. Preparation for participation in the Programme for International Student Assessment (PISA)	\$69,500	\$69,500	100.0%
3. Institutional capacity building	\$158,000	\$98,000	62.0%
Total Baseline Costs	\$400,000	\$340,000	85.0%
Total Project Costs	\$400,000	\$340,000	85.0%
Total Financing Required	\$400,000	\$340,000	85.0%

C. Lessons Learned and Reflected in the Project Design

13. A similar grant, also financed by the Trust Fund for Statistical Capacity Building, was awarded to the Republic of Moldova in 2015. A number of design features of that grant have been incorporated here.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

14. The overall overseer of the Grant would be the Ministry of Education and Science of Ukraine. The implementing agency of the Grant would be the Institute of Educational Analytics established under the Ministry in November 2014. According to its charter, the main task of this Institute is the development and implementation of a system of education statistics and analysis in Ukraine through research, analytical, and innovative methods. Because this is a newly established entity without previous experience in implementing Bank-financed technical assistance projects, significant implementation support would be required on the part of the Bank and close supervision will be provided.

B. Results Monitoring and Evaluation

15. The monitoring of the proposed project's results will rely on information provided by the proposed implementing agency, the Institute of Educational Analytics. The capacity of the Institute to collect and analyze data, as well as the sophistication of its information management systems will be strengthened through the proposed project. The costs for these activities are embedded within the three components of the proposed project.

C. Sustainability (if applicable)

16. Sustainability of the proposed project activities will be ensured through close collaboration between the World Bank and the Ministry of Education and Science (MOES), which will serve as the overseer of this Grant providing strategic direction to its implementation. The MOES has expressed its commitment to ensuring efficient utilization of funds and successful implementation of the project, as well as to the broader reforms to strengthen evidence-based policymaking in the education sector and modernize management information systems in the sector. The MOES has also confirmed the readiness of the Recipient to make a supplementary in-kind contribution in the amount of USD 60,000 over the two-year implementation period of the project through the offset of staff costs and operating expenses of the Institute of Educational Analytics.

V. KEY RISKS AND MITIGATION MEASURES

17. The overall risk rating for the proposed project is *Substantial*. Particular categories of relevant risks include: (i) Political and Governance Risks, (ii) Macroeconomic Risks, (iii) Institutional Capacity Risks, and (iv) Fiduciary Risks. The current *Political and Governance* environment in Ukraine is one of high risk; the same is true for the *Macroeconomic* environment. As with all projects currently being implemented in Ukraine, the management of these systemic risks will be done through close implementation support by the Bank team and monitoring of the impact of these risks on project implementation. The *Institutional Capacity* and *Fiduciary* risks are deemed substantial because the proposed implementing agency, the Institute of Educational Analytics, is a relatively new entity without previous experience implementing Bank-financed projects. These project-specific implementation risks will be mitigated through close supervision by the Bank team, including its fiduciary specialists, as well as the hiring of part-time consultants familiar with Bank procedures on the part of the IEA.

VI. APPRAISAL SUMMARY

18. The main economic benefits of the project include the strengthened capacity of the policymakers in Ukraine's education sector to make decisions based on up-to-date sector data and analysis. By modernizing the education management information systems (EMIS), the proposed project activities will enable Ukrainian authorities to allocated scarce public funds in a more rational manner in order to achieve the desired results. The education system's ability to ensure monitoring and evaluation of reforms will be enhanced at a relatively low cost, given the potential benefits derived from more rational use of available resources.

19. The FM arrangements were confirmed acceptable for implementation of this small grant, subject to strengthening FM capacity as described below. Respective FM risk was assessed as Substantial at this time, due to possible issues with the payments processed via the State Treasury of Ukraine, and given the current lack of experience of the Institute staff. The Institute existing staff is experienced in the National accounting and reporting, including State Treasury operations; however, has no practical knowledge in the areas of FM and disbursements for implementation of this grant. It was advised that at least a part-time experienced FM consultant will be hired during grant implementation, and respective costs can be financed from the grant funds.

20. The procurement risk is rated as Substantial due to the lack of experience by the IEA in implementing Bank-financed projects in the past. The New Procurement Framework shall be applicable under the proposed project. The IEA will develop a simple Project Procurement Strategy for Development (PPSD) and on its basis will draft a Procurement Plan (PP). The Bank's Standard Procurement Documents (SPDs) shall be used by the IEA. The IEA may use electronic procurement systems (e-Procurement) if found to be acceptable by the Bank for small value contracts. Implementation support including procurement post-reviews and supervision will be conducted by the task team and the IEA may hire a part-time procurement specialist familiar with Bank procurement guidelines to provide support for grant implementation.

A. Other Safeguards Policies Triggered

21. None triggered.

B. World Bank Grievance Redress

22. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Annex 1: Results Framework and Monitoring

UKRAINE:

Strengthening Evidence-Based Policymaking with Education Statistics and Analysis

Project Development Objectives

PDO Statement

The development objective of this project is to strengthen the capacity of Ukrainian education authorities to utilize administrative, statistical, and learning assessment data and analytical methods to inform policymaking.

These results are at | Project Level

Project Development Objective Indicators

Indicator Name	Cumulative Target Values	
	Baseline	End Target
Upgraded Education Management Information System (EMIS) is fully operational (Text)	Existing EMIS is operational with incomplete coverage of general secondary education (GSE) institutions	EMIS is upgraded to cover all GSE schools and preschool institutions in at least 3 regions (oblasts)
Open data portal is functional and allows stakeholders to access relevant EMIS data (Text)	No open data portal exists	Open data portal is functional and allows stakeholders to access relevant EMIS data
Qualified specialists are trained to prepare the national analytical report using PISA 2018 data (Number)	0.00	20.00

Intermediate Results Indicators

Indicator Name	Cumulative Target Values	
	Baseline	End Target
Percentage of general secondary education schools reporting in EMIS the latest year's data on students enrolled (Percentage)	95.11	100.00
Percentage of general secondary education schools reporting in EMIS the latest year's data on teachers employed (Percentage)	82.31	100.00
Percentage of preschool institutions reporting in EMIS the latest year's data on children enrolled (Percentage)	0.00	20.00
Number of stakeholders trained in the use of the EMIS or the EMIS open data portal (Number)	0.00	200.00
Sampling of schools for the implementation of PISA 2018 is conducted using EMIS data (Text)	No sample of schools exists for PISA 2018 implementation	Sampling of schools for the implementation of PISA 2018 is conducted using EMIS data
PISA 2018 assessments are carried out in Ukraine (Text)	No PISA assessments have been carried out in Ukraine to date	PISA 2018 assessments are carried out in Ukraine

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Upgraded Education Management Information System (EMIS) is fully operational	No description provided.	Semi-annual	MOES and IEA documents	IEA
Open data portal is functional and allows stakeholders to access relevant EMIS data	No description provided.	Semi-annual	MOES and IEA documents	IEA
Qualified specialists are trained to prepare the national analytical report using PISA 2018 data	No description provided.	Semi-annual	MOES and IEA documents	IEA

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Percentage of general secondary education schools reporting in EMIS the latest year's data on students enrolled	No description provided.	Annual	MOES and IEA documents	IEA
Percentage of general secondary education schools reporting in EMIS the latest year's data on teachers employed	No description provided.	Annual	MOES and IEA documents	IEA
Percentage of preschool institutions reporting in EMIS the latest year's data on children enrolled	No description provided.	Annual	MOES and IEA documents	IEA
Number of stakeholders trained in the use of the EMIS or the EMIS open data portal	No description provided.	Semi-annual	MOES and IEA documents	IEA
Sampling of schools for the implementation of PISA 2018 is conducted using EMIS data	No description provided.	Semi-annual	MOES and IEA documents	IEA
PISA 2018 assessments are carried out in Ukraine	No description provided.	Semi-annual	MOES and IEA documents	IEA

Annex 2: Detailed Project Description

UKRAINE:

Strengthening Evidence-Based Policymaking with Education Statistics and Analysis

1. The development objective of the proposed project is to strengthen the capacity of Ukrainian education authorities to utilize administrative, statistical, and learning assessment data and analytical methods to inform policymaking.

Component 1. Development of an integrated Education Management Information System (EMIS) – approximately US\$ 172,500

2. The objective of this component is to support the development of a modern EMIS that contributes to evidence-based policymaking based on modern education statistics.

3. *Sub-component 1.1. Integration and quality assurance of existing databases.* This sub-component will finance the modernization and upgrading of an existing EMIS that was recently acquired by the Ministry of Education and Science. Previously operated by a private company, the EMIS requires significant quality assurance and integration with existing data systems. Specifically this will require: (i) modernization of the existing data systems; (ii) support from programmers and database developers; (iii) consulting from international and domestic EMIS experts; (iv) knowledge exchange with other countries that have recently established a modern EMIS of their own; and (v) provision of hardware and software necessary to maintain and operate the EMIS.

4. *Sub-component 1.2. Database security certification.* This sub-component will finance the necessary database security measures, as required by national legislation. Specifically it will include: (i) development of a Terms of Reference for the services of a firm engaged in database security certification (including assessment of security risks, development of a data protection policy, testing of the security system, and its implementation); and (ii) contracting of such firm to provide the necessary database security services.

5. *Sub-component 1.3. Development of an open data portal.* This sub-component will finance the construction of an open data portal that will make timely and relevant EMIS data available to all stakeholders in the education sector. Specifically this will include: (i) contracting programmers and data visualization specialists to develop a user friendly portal linked to the EMIS; (ii) acquisition of statistical, database management, mapping, and data visualization software necessary to run the portal; and (iii) communications and outreach services necessary to inform the various stakeholders about the portal and its uses.

6. *Sub-component 1.4. Training and analytical capacity building.* This sub-component will finance a range of capacity building activities to encourage effective use of education statistics, including training on the use of the EMIS and the open data portal developed under sub-components 1.1 and 1.3. Specifically this will include: (i) training of the Institute of Educational Analytics staff in proper database maintenance and EMIS operation; (ii) training for representatives of local education authorities in proper data entry and submission techniques; (iii) training of other stakeholders and decision makers (including the Ministry of Education and

Science, local authorities, and others) in the effective use of education statistics for evidence-based policymaking; (iv) instruction of key stakeholders in statistical and analytical methods that take advantage of data available in the EMIS.

Component 2. Preparation for participation in the Programme for International Student Assessment (PISA) – approximately US\$ 69,500

7. The objective of this component is to strengthen the capacity of Ukrainian authorities to participate in PISA 2018 and analyze the subsequent assessment results.

8. *Sub-component 2.1. Preparation for PISA implementation.* This sub-component will finance selected activities to be undertaken by the Institute of Educational Analytics, the Ukrainian Center for Education Quality Assessment, and other agencies in preparation for PISA 2018 testing. Specifically this will include: (i) data collection and processing for the preparation of the PISA 2018 sample; (ii) preparation of the sample of schools to be included in PISA 2018 piloting and implementation; (iii) knowledge exchange and consulting support with local and international experts on topics relevant to PISA implementation; and (iv) informational activities for teachers and other education system stakeholders regarding international large-scale sample-based student assessments.

9. *Sub-component 2.2. Capacity building for the preparation of the PISA 2018 national report.* This sub-component will finance the training of Ukrainian experts in the accepted analytical techniques used in the preparation of PISA national reports based on international best practices. Specifically this will include: (i) training of the staff of Institute of Educational Analytics and other relevant agencies in statistical techniques used for analyzing PISA data; (ii) knowledge exchange with international organizations and other national agencies experienced in preparation of similar reports; (iii) consulting support from local and international experts on relevant topics.

Component 3. Institutional capacity building – approximately US\$ 98,000 (in addition to in-kind contribution from the Recipient of approximately US\$ 60,000 over the life of the Grant)

10. The objective of this component is to build institutional capacity of the Institute of Educational Analytics and ensure adequate support for Grant implementation.

11. *Sub-component 3.1. Institutional capacity building.* This sub-component will finance the strengthening of institutional capacity of the Institute of Educational Analytics to become the leading education statistics and analysis organization in Ukraine. Specifically this will include: (i) the development of the Institute's website; (ii) training of Institute staff in modern research methods, analytical report preparation, use of statistical software, and English language proficiency; (iii) knowledge exchange activities with domestic and international experts on topics relevant to the Institute's mission; and (iv) provision of a small amount of furniture, hardware, and software. Training of IEA staff on sociological research methods is expected to be provided by the Recipient as part of the in-kind contribution toward the implementation of this Grant.

12. *Sub-component 3.2. Grant implementation support.* This sub-component will finance the necessary support for the Institute of Educational Analytics to adequately implement the Grant in line with World Bank rules and procedures. Specifically this will include: (i) consulting services in the areas of procurement, financial management, translation, and others; (ii) operating costs; and (iii) other expenditures (e.g., training) required by the Project Management Team to successfully implement the Grant. Despite facing severe resource constraints, the Recipient will provide an in-kind contribution in the form of covering administrative costs of the implementing agency (including staff time and operating expenses of the IEA). These are expected to amount to approximately US\$ 60,000 over the life of the Grant.

13. *Sub-component 3.3. Audit.* This sub-component will finance the required audit of Grant implementation activities.

Annex 3: Implementation Arrangements
UKRAINE:
Strengthening Evidence-Based Policymaking with Education Statistics and Analysis

Project Institutional and Implementation Arrangements

Project administration mechanisms

1. The overall overseer of the Grant would be the Ministry of Education and Science of Ukraine. The implementing agency of the Grant would be the Institute of Educational Analytics (IEA) established under the Ministry in November 2014. According to its charter, the main task of this Institute is the development and implementation of a system of education statistics and analysis in Ukraine through research, analytical, and innovative methods.
2. The staff of the IEA will conduct the project implementation and supervision activities as part of their regular jobs. However, because this Institute is a newly established entity without previous experience in implementing Bank-financed technical assistance projects, additional support may be needed from external consultants on a part-time basis. Close implementation support and guidance would also be provided by Bank staff throughout the duration of the proposed project.

Financial Management, Disbursements and Procurement

Financial Management

3. FM arrangements were confirmed acceptable for implementation of this small grant, subject to strengthening FM capacity as described below. Respective FM risk was assessed as Substantial at this time, due to possible issues with the payments processed via the State Treasury of Ukraine, and given the current lack of experience of the Institute staff.
4. The Institute's existing staff is experienced in the National accounting and reporting, including State Treasury operations; however, has no practical knowledge in the areas of FM and disbursements for implementation of this grant. It was advised that at least a part-time experienced FM consultant will be hired during grant implementation, and respective costs can be financed from the grant funds.
5. Grant accounting records will be retained in the automated accounting system of the Institute 1-C, complimented by additional disclosure tables as may be necessary. While semi-automated accounting and reporting is not the best practice, it will be sufficient given the relatively small size of this grant and simplicity of the expected grant-financed activities.
6. **Semi-annual IFRs** will be prepared and submitted to the World Bank. The grant **will undergo annual audits** by independent auditor acceptable to the Bank, and the audit report will be publically disclosed by the World Bank and by the Institute.

Disbursements

7. The Institute will open Designated Account in USD in JSC UkrEximBank, and a transit account in UAH in the State Treasury for payments in local currency. Both accounts will be used only for the inflow of the Grant funds and payment of eligible expenditures only. Given the recent history of certain delays in processing of payments by the State Treasury in Ukraine, timeliness of such payments will be monitored and addressed as needed.

Procurement

8. The **New Procurement Framework** shall be applicable under the proposed project. **Regulations of Borrowers** shall be used by the implementing agency. World Bank's Anti-Corruption Guidelines, revised 2014 ("Anti-Corruption Guidelines") shall apply to this project, including without limitation the Bank's right to sanction and the Bank's inspection and audit rights.

9. The IEA will develop a simple **Project Procurement Strategy for Development (PPSD)** and on its basis will draft a **Procurement Plan (PP)**. The PPSD will reflect how procurement activities will support the development objectives of the project and deliver the best Value for Money (VfM) under a risk-based approach. The PPSD shall provide adequate justification for the selection methods to be specified in the Procurement Plan. The initial PP will cover at least the first eighteen (18) months of implementation. The Bank will review the PPSD and agree to the PP. The PP will be updated in agreement with the Bank project team at least annually or as required to reflect the actual project implementation needs and improvements in the implementing agency institutional capacity. The basis and justification for updates to the PP shall be documented in the PPSD.

10. **Procurement/Selection Method and Prior-Review Thresholds:** Considering the risk assessment rating as Substantial, it is proposed that the thresholds for procurement activities financed under the Project subject to Prior Review by Bank are set in accordance with indicative thresholds for Procurement Approaches and Methods by Country set for Ukraine (Guidance on Country Thresholds issued August 25, 2016 and effective July 1, 2016). The thresholds will be specified in the PP.

11. The Bank's **Standard Procurement Documents (SPDs)** shall be used by the IEA. The IEA may use electronic procurement systems (e-Procurement) if found to be acceptable by the Bank for small value contracts, e.g., under Request for Quotations or equivalent.

12. **Procurement Supervision:** Implementation support including procurement post-reviews and supervision will be conducted by the task team, including the Procurement Specialist. In addition, one supervision visit is expected to take place per year during which post-reviews will be conducted on a sample basis (1 in 5 contracts). Procurement documents will be kept by the implementing agency readily available for Bank's post-review or at any other point in time. A post-review report will be prepared and shared with the IEA.

Environmental and Social (including safeguards)

13. Because the activities under the proposed project focus mainly on the strengthening of management information systems and capacity building, no environmental and social safeguard policies will be triggered.

Monitoring & Evaluation

14. The monitoring of the proposed project's results will rely on information provided by the proposed implementing agency, the Institute of Educational Analytics, as well as the Ministry of Education and Science. The capacity of the Institute to collect and analyze data, as well as the sophistication of its information management systems will be strengthened through the proposed project. The costs for these activities are embedded within the three components of the proposed project.

Role of Partners (if applicable)

15. As of November 2016, no other international agencies are involved in the financing of the proposed project. Several international partners are likely to be conducting related work in the areas of PISA preparation (e.g., the OECD) and analytical capacity strengthening (e.g., Swedish-Ukrainian Project "Support to Decentralization in Ukraine"). The Bank team will coordinate with the appropriate partners to ensure complementarity of activities in the possible areas of overlap.