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The World Bank**

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PROJECT PERFORMANCE ASSESSMENT REPORT

ALBANIA

**SCHOOL REHABILITATION AND CAPACITY BUILDING PROJECT
(CR. 2633-ALB)**

**AND THE EDUCATION REFORM PROJECT
(CR. 3343-ALB)**

MAY 28, 2009

*Sector Evaluation Division
Independent Evaluation Group*

Currency Equivalents (annual averages)

Currency Unit = (Lek)

School Rehabilitation and Capacity Building Project

As of May 1994

US\$1 = LEK 100

Education Reform Project

As of November 1993

LEK 100 = US\$1

US\$1 = LEK 100

As of September 27, 2000

LEK 1 = US\$ 0.0068

US\$1 = LEK 145.85

As of March 4, 2005

LEK 96.55 = US\$1

US\$1 = LEK 96.55

Abbreviations and Acronyms

CAS	Country Assistance Strategy
DFID	United Kingdom Department for International Development
EFA	Education for All
EMIS	Educational Management information system
EU	European Union
FTI	Fast-Track Initiative to achieve Education for All
FYROM	Former Yugoslav Republic of Macedonia
GDP	Gross domestic product
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
ICR	Implementation Completion Report
IDA	International Development Association
IEG	Independent Evaluation Group
IIEP	International Institute for Education Planning (UNESCO)
LSMS	Living Standards Measurement Survey
MoES	Ministry of Education and Science
NGO	Nongovernmental organization
OECD	Organization for Economic Cooperation and Development
PAD	Project Appraisal Document
PCU	Project Coordination Unit
PISA	Programme for International Student Assessment
PIRLS	Progress in International Reading Literacy Study
PIU	Project Implementation Unit
PHRD	Policy and Human Resources Development
PPAR	Project Performance Assessment Report
PRSP	Poverty Reduction Strategy Paper
PRSC	Poverty Reduction Strategy Credit
QAG	Quality Assurance Group
SAR	Staff Appraisal Report
TIMSS	Trends in International Mathematics and Science Study
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNICEF	United Nations Children's Fund

Fiscal Year

Government: January 1 — December 31

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IEGWB Mission: Enhancing development effectiveness through excellence and independence in evaluation.

About this Report

The Independent Evaluation Group assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEGWB annually assesses about 25 percent of the Bank's lending operations. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons. The operations, topics, and analytical approaches selected for assessment support larger evaluation studies.

A Project Performance Assessment Report (PPAR) is based on a review of the Implementation Completion Report (a self-evaluation by the responsible Bank department) and fieldwork conducted by IEGWB. To prepare PPARs, IEGWB staff examine project files and other documents, interview operational staff, and in most cases visit the borrowing country to discuss the operation with staff of the Bank and the government, other stakeholders, and beneficiaries. The PPAR thereby seeks to validate and augment the information provided in the ICR, as well as examine issues of special interest to broader IEGWB studies.

Each PPAR is subject to peer review and IEGWB management approval. Once cleared internally, the PPAR is reviewed by the responsible Bank department and amended as necessary. The completed PPAR is then sent to the borrower for review; the borrowers' comments are attached to the document that is sent to the Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

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Outcome: The extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance of objectives, efficacy, and efficiency. *Relevance of objectives* is the extent to which the project's objectives are consistent with the country's current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, Operational Policies). *Efficacy* is the extent to which the project's objectives were achieved, or expected to be achieved, taking into account their relative importance. *Efficiency* is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. The efficiency dimension generally is not applied to adjustment operations. *Possible ratings:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Risk to Development Outcome: The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). *Possible ratings:* High Significant, Moderate, Negligible to Low, Not Evaluable.

Bank Performance: The extent to which services provided by the Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan/credit closing, toward the achievement of development outcomes. The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Borrower Performance: The extent to which the borrower assumed ownership and responsibility to ensure quality of preparation and implementation, and complied with covenants and agreements, towards the achievement of development objectives and sustainability. The rating has two dimensions: government performance and implementing agency performance. *Possible ratings:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

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<p>This report was prepared by Helen Abadzi, who assessed the projects in April 2008. Marie-Jeanne Ndiaye provided administrative support.</p>
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Principal Ratings

	<i>ICR*</i>	<i>ICR Review*</i>	<i>PPAR</i>
<i>School Rehabilitation and Capacity Building Project (Cr. 2633-ALB)</i>			
Outcome	Satisfactory	Moderately Satisfactory	Moderately Unsatisfactory
Risk to Development Outcome** (Sustainability)	--	---	Moderate
Bank Performance	Likely	Likely	
Borrower Performance	Satisfactory	Satisfactory	Moderately Satisfactory
	Satisfactory	Satisfactory	Moderately Unsatisfactory
<i>Education Reform Project (Cr. 3343-ALB)</i>			
Outcome	Satisfactory	Moderately Satisfactory	Moderately Satisfactory
Risk to Development Outcome** (Sustainability)	----	---	Moderate
Bank Performance	Likely	Likely	
Borrower Performance	Satisfactory	Satisfactory	Moderately Satisfactory
	Satisfactory	Satisfactory	Moderately Satisfactory

* The Implementation Completion Report (ICR) is a self-evaluation by the responsible operational division of the Bank. The ICR Review is an intermediate IEG product that seeks to independently verify the findings of the ICR.

** According to the 2006 harmonization guidelines, sustainability has been replaced with a "risk to development outcome" rating.

Key Staff Responsible

	<i>Task Manager/ Leader</i>	<i>Division Chief/ Sector Director</i>	<i>Country Director</i>
<i>School Rehabilitation and Capacity Building Project (Cr. 2633-ALB)</i>			
Appraisal	Terrice Basler	Andrew Rogerson	Kemal Dervis
Supervision	James Stevens	Ralph W. Harbison	Kemal Dervis
Completion	Sue Berryman	James A. Socknat	Christian Poortman
<i>Education Reform Project (Cr. 3343-ALB)</i>			
Appraisal	Sue Berryman	Annette Dixon	Arntraud Hartman
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Completion	Peter Darvas	Maureen McLaughlin	Orsalia Kalantzopoulos

Preface

This is the Project Performance Assessment Report (PPAR) on two education projects in Albania.

The School Rehabilitation and Capacity Building Project (Cr. 2633) was approved for a credit of US\$9.6 million equivalent on June 23, 1994. The credit closed on March 31, 2000 after a one-year extension of the closing date. The undisbursed balance of US\$0.38 million was canceled.

The Education Reform Project (Cr. 3343) was approved for a credit of US\$12 million equivalent in May 2000. The credit closed on October 31, 2004 after a three-month extension of the closing date. The undisbursed balance of US\$1.27 million was canceled.

The PPAR was conducted to assess the outcomes of Bank education policy and investments in an agricultural country that embraced democracy and a free market system after 45 years of almost complete isolation. The document is based on the following sources: Implementation Completion Reports (ICRs), Staff Appraisal Report (SAR), Project Appraisal Document (PAD), Development Credit Agreements for the projects, and project files, particularly the supervision reports. Also, IEG consulted the research literature, reports on Albania and data on schooling trends. An IEG mission visited Albania in April 2008 to interview officials, donors, and beneficiaries, observe instruction in schools, and collect other pertinent information. Field visits took place in the southern areas of the country, in Kruje, and in Shkoder. The author thanks the government officials who received the mission for their extensive cooperation.

Following standard IEG procedures, copies of the draft PPAR were sent to government officials and agencies for their review and comments. No formal response was received.

Summary

This document reviews the performance of two projects in Albania: The School Rehabilitation and Capacity Building Project (Cr. 2633-ALB, approved in FY94) and the Education Reform Project (Cr. 3343-ALB, approved in FY00). Overall, these aimed to rehabilitate dilapidated schools and support institution-building interventions.

The first project devoted 90 percent of its resources to school rehabilitation and the remainder was devoted to capacity building of key sector institutions to stimulate efficient use of fiscal resources and assure quality of learning outcomes. Implementation proved challenging for the government as well as for the Bank. Ultimately, a large number of school buildings were rehabilitated, although quality was variable. Many institution-building activities were canceled and others were only partially completed.

The second project aimed at assisting the Ministry of Education and Sciences in planning and managing the delivery of educational services and strengthening its accountability to stakeholders for that delivery. It devoted about 59 percent of its resources to schools rehabilitation. Construction supervision capacity continued to be limited, but about 22,000 school places were rehabilitated, although numerical targets were not met. The project improved the delivery of some services, such as textbooks, but modifications to the curricular structure started late in the project.

In principle, the development objectives of both projects were *highly relevant* to the country's human resource development, but the relevance of project design was *modest*. School rehabilitation was greatly needed, but the rationale and timing of some management-oriented subobjectives were unclear. Project documents did not show a clear line of reasoning that would result in their fulfillment. Project designs did not include any plans to stop the dramatic loss of secondary education enrollments or to improve learning outcomes. Overall, relevance of both projects was rated *substantial*.

The outcome of the **School Reconstruction and Capacity Building Project** is rated *moderately unsatisfactory*. The project repaired hundreds of schools under emergency circumstances; but it suffered from questionable financial management and modest-quality rehabilitation of schools that created problems for future maintenance. Risk to development outcome is rated *moderate* due in part to financial needs created by poor-quality construction. Bank performance is rated *moderately satisfactory*. The project was supervised diligently, but there was an insufficient rationale for choosing certain capacity-building activities. Borrower performance is rated *moderately unsatisfactory* due to weak implementation and financial management capacity.

The outcome of the **Education Reform Project** is rated *moderately satisfactory*; despite difficulties, the government increased its capacity to plan for and manage educational services, although accountability to stakeholders remained uncertain. Risk to development outcome is rated *moderate* due to continuing underfunding of the sector. Bank and borrower performance were rated *moderately satisfactory* due to weak financial management capacity.

This assessment provides a number of lessons for the education sector:

- In a country emerging from difficult financial and social circumstances, emergency civil works repairs are a necessary and appropriate investment. To deal with the lack of experience and limited human capital available, simple project designs are also appropriate (paras. 3.3 and 3.13).
- Curricular structures determine numbers of teachers, qualifications, textbooks, and building use and may thus have long-term effects. Streamlining curricula can help reduce sectoral inefficiency and improve use of financial resources. The Bank should be more proactive in advising governments about efficient curricular structures. (para.5.2).
- Education projects often finance management information systems and statistically complex learning assessments in expectations of helping government officials make informed decisions about the sector. However, decision-makers do not necessarily interpret data as expected. It is important to provide training and help governments understand the implications of the data that are already available before getting more or higher-quality data (para. 3.8).
- If timed right, budget support loans may encourage governments to take action in implementing reforms, such as obtaining parliamentary approval for laws that are important for various sectors. When designing these operations, the Bank must be careful to maximize complementarities and to establish feasible monitoring mechanisms (para 3.22-3.23).
- For new Bank clients, objectives and expectations for outputs and outcomes should be kept simple and realistic. Intensive supervision is required, for which the Bank must appropriately assign resources (para 2.1).

Vinod Thomas
Director-General
Evaluation

1. Background

1.1 Albania is a mountainous, traditionally agricultural country of about 3.1 million people with a per capita income of about US\$3,290. About 25 percent of the citizens live in poverty.¹

1.2 At the end of the Second World War, Albania had an illiteracy rate of 85 percent and no higher education institutions. The communist regime, which lasted 45 years, provided many education benefits; it offered preschool to about 56 percent of the children, insisted on female enrollment, and made basic education compulsory (grades 1-8). To shape the next generation, teachers were obliged to be present in school and to use classroom time for instruction. Textbooks were available and used by students, although they offered information that was antiquated and ideologically based. As a result, around 1985, Albania had a 93 percent literacy rate, universal primary enrollment, and 99 percent survival to grade 5.²

1.3 In the late 1980s, the country's planned central economy collapsed due to financial and civil rights problems. In the preceding years the condition of the school buildings had deteriorated, and many were uninhabitable, particularly during the cold winter months. This caused absenteeism and delays among students and teachers. This problem was compounded by a lack of demand for many of these schools. During the communist regime and until about 1990, 78 percent of the secondary schools (grades 9-12) had been agricultural vocational schools, and only 12 percent were academic secondary schools. With the establishment of democracy, people were allowed to migrate internally and externally, and job opportunities arose. Then most agricultural schools closed due to a lack of demand and funding.³ The result was a collapse of secondary school enrollments, particularly for the very poor (Table 1-1; Annex Table B-1). In the late 1980s, the average child in Albania could expect to complete 9.4 years of school compared to 15.4 years for OECD countries.

1.4 As a result of these conditions, Albania emerged from the communist era with severe budget shortages relative to needs in education, a deteriorating physical plant, lack of quality assurance mechanisms, lack of a governance tradition, antiquated school curricula, and weak ministerial leadership of the sector. Increased labor productivity would require a major increase in enrollment rates for secondary and higher education.⁴

1. World Bank Country at a Glance, 2007; <http://www.childinfo.org/areas/education/table3.php> ; 2000-2006.

2. By 1955 school enrollment was only 13.5 percent of the population, and levels of education were still low in 1989: 22.5 percent had 0-3 years, 18.8 percent 4 years, 31.7 percent 7-8 years, 1.8 percent 10 years, and 4.3 percent for 12 years or more (World Bank 1993, p. 19-20. (On grade 5 survival see UNICEF 2006.) Enrollments in tertiary education have traditionally been below the average enrollment rate for the Europe and Central Asia (ECA) region (6.6 versus 16 percent; Education Reform Project Appraisal Document (PAD), p. 6).

3. Around 1993, the government replaced about 400 4-year agricultural schools with 20 2-year schools, closing the rest (World Bank 1993). Albanian basic education includes grades 1-8, 9-12 are secondary.

4. Education Excellence and Equity Project PAD, 2006 p. 72

However, Albanian public expenditures in education since the early 1990s have amounted only to about 3 percent of the per capita GDP, an expenditure level offering modest prospects for human capital development and economic stability.⁵ In the last 20 years, the ability of the system to provide educational services has greatly improved, and enrollments are approaching the pre-democracy levels (Table 1-1). This PPAR outlines the unique challenges faced by the government and the Bank in this long process.

Table 1-1: Changes in enrollment rates 1989-2005

Level of Education	1989 Gross Enrollment Rate (% of age group)	2005 Gross Enrollment Rate (% of age group)
Preschool (ages 3-5)	56.7	50
Basic (grades 1-8)	100.2	101
Secondary (grades 9-12)	78.5	64
Tertiary	6.6	19.3

Source: MOES data for 1989 in Education Excellence and Equity Project PAD p. 72; MOES 2005-06; more detailed data by gender appear in Annex Table B-1

BANK AND DONOR SECTOR STRATEGY

1.5 The collapse of the Albanian economy ushered in democracy in mid-1991, and by 1992 the country became highly dependent on donor aid and humanitarian assistance. The most important external partners were the World Bank, the European Union, Soros Foundation, the European Union (EU), and UNICEF (United Nations Children's Fund). Other partners included DFID (United Kingdom Department for International Development), GTZ (Gesellschaft für Technischen Zusammenarbeit), and various specialized United Nations agencies. Initially, there was limited collaboration, but eventually the donors divided sectors and tasks among them. USAID (United States Agency for International Development) financed health issues and the European Union focused on police and judiciary reforms but financed some school rehabilitation and vocational education. GTZ and Swiss Cooperation similarly financed some vocational training institutions. Until 2002, the Soros foundation supported education, partly through its Albania Education Development Project of US\$9 million. However, donor assistance has been piecemeal, and large-scale multidonor projects were not undertaken in education. The country is trying to align its educational system, with European Union guidelines in preparation for an eventual union with the EU, so it has welcomed technical assistance from bilateral European donors. As the Albanian economic situation has improved, donor resources have decreased.

1.6 Lending for education in Albania started in 1994 (Table 1-2). Two projects have been completed, and a third one is under implementation.⁶ The Bank's strategy has emphasized public-sector policy reforms that were in part supported by a Public Administration Reform project. The Ministry of Education and Sciences (MOES)

5. Education Reform Project PAD, 2000, p. 13.

6. The ongoing Education Excellence and Equity Project is a sector-wide approach (SWAp) cofinanced by the Council of Europe Development Bank and the European Investment Bank with harmonized procedures. Every year Ministry of Education and Sciences (MOES) prepares an activity plan, obtains approval from the three banks, and then prepares a procurement plan. The government holds meetings with donors twice a year (May and October). Since the donors are not many, they undertake separate missions.

became a pilot in civil service reform efforts in the 1990s. The Bank has also supported education policies through three Poverty Reduction Strategy Credits (PRSCs) in 2002, 2003 and 2004.⁷ And though Albania is now a lower-middle income country, it still receives extensive Bank support. In 2008, the Bank had 17 active projects.

Table 1-2: World Bank - Education Lending in Albania

<i>Projects</i>	<i>Project ID</i>	<i>Approval FY</i>	<i>Closing</i>	<i>Actual Credit amount US\$m</i>	<i>Actual Project Cost US\$m</i>	<i>Canceled US\$m</i>
Completed						
School Rehabilitation and Capacity Building Project (Cr. 2633)	P008269	FY94	3/31/ 2000	9.52	11.2	0.38
Reform Project (Cr. 3343)	P069120	FY00	10/30/2004	12.38	15.41	1.27
Ongoing						
Education Excellence and Equity Project (Cr. 4180)	P078933	FY07	12/31/2010	15	75	n/a
Total				36.9	101.61	2.65

2. Project Objectives and Implementation

2.1 The Bank had no prior experience working in a country that had been as isolated as Albania and there was little guidance on what to finance. The sector work conducted in 1993 had highlighted the shockingly poor condition of the schools as the most pressing issue. Therefore, despite the Bank's growing discomfort with financing civil works, the first project in Albania tried to deal with that emergency. Aside from civil works, the Bank focused on basic education and on the creation of effective policy-making and delivery. This was to be achieved through privatization of some services, decentralization, accountability, and statistical information about the educational system. Curricula and textbooks were to be reformed, but without specific actions to improve instructional delivery or assure quality of learning outcomes. For the purpose of quality assurance, the latter were to be measured, through sample-based learning assessments (Table 2-1). Implementation issues are discussed extensively in the following sections.

7. The Public Administration Project was Cr. 3328 (P069939, FY 2000 for US\$8.5 million, outcome moderately unsatisfactory). MOES was a pilot ministry. The PRSCs were Cr. 3670 (P069935; 2002), Cr. 3811 (P077739; 2003), and Cr. 4006 (P083337; 2004). This instrument is a type of Development Policy Loan. The funds are disbursed to a country's general budget, like tax revenue, and are intended to help strengthen public financial management and budgeting systems so that the money which flows through the country system reaches end users more efficiently. They are also used to help resolve complex policy issues that involve multiple agencies or require higher-order government attention.

Table 2-1: Albania Education Projects Assessed	
<i>Objectives stated in the Project Appraisal Document and the Staff Appraisal Report⁸</i>	<i>Components</i>
School Rehabilitation and Capacity Building Project (Cr. 2633)	
- Accelerate rehabilitation of damaged and dilapidated school facilities in Albania's 37 districts;	⇒ School Rehabilitation (appraisal US\$10.3 m, actual US\$10.23 m)
- Build capacity of the key sector institutions to stimulate efficient use of fiscal resources and assure quality of learning outcomes.	⇒ Key Sector Capacities (appraisal US\$1.0 m, actual US\$0.99 m) ⇒ Planning and Management Information ⇒ Quality Assurance in Basic Education ⇒ Textbook Improvement ⇒ Project Coordination Unit
Education Reform Project (Cr. 3343)	
To assist the Ministry of Education and Sciences in planning and managing the delivery of educational services and strengthening its accountability to stakeholders for that delivery.	⇒ Policy Design, Management, and Improvement of the Education System (appraisal \$3.59 m, final US\$1.56 m) ⇒ Education Management Information System (appraisal US\$0.8 m, final US\$0.72 m) ⇒ Assessments and Examinations (appraisal and final US\$0.57 m) ⇒ School Rehabilitation (appraisal US\$7.3 m, final US\$9.53 m) ⇒ Textbooks (appraisal US\$2.62 m, final (US\$3.04 m)

RELEVANCE

Overall, the Bank's human development strategy for Albania was relevant to the country's economic needs and infrastructure conditions in the 1990s. It remained relevant as the government became more sophisticated and financially better off and continues to be relevant given the human development objectives of the most recent Country Assistance Strategy (Report No. 24189-ALB, 2002). The National Education Strategy 2004-15 for pre-university education during the previous government includes in its four priority areas issues raised extensively by the donor community and reflected in the two projects: (i) governance - reforming and strengthening management capacity, (ii) improving the quality of the teaching and learning process, (iii) sufficiently financing pre-university education, and (iv) building capacity for human resource development.

2.2 The School Reconstruction project was carefully designed to be very simple, with a small number of specific activities (Table 2-1). However, during the Reform project,

8. The Development Credit Agreements of both projects had objectives that were worded somewhat differently. For Cr. 2633, "The objectives of the Project are to assist the Borrower to rehabilitate school facilities and build institutional capacity to stimulate efficient use of fiscal resources and assure quality of learning outcomes." For Cr. 3343, "The objective of the Project is to assist the Borrower to improve its education sector and strengthen accountability." This report uses the PAD objectives, because the DCA objectives were broader and did not easily lead to measurable outcomes.

the Bank overestimated capacity and created a design that was more complex than the country could handle. Also, there was a disconnect between the objective and the components (Table 2-1) that made it difficult to determine from the achievement of the components and the monitoring indicators whether the objective has been attained. An additional weakness was the limited comprehension of curricular functions. The Bank viewed curricular reform only as a large-scale exercise, overlooking the fact that many curricular decisions are required for textbook publication. As a result, curricular activities were not mapped explicitly into the objectives.

2.3 A relevance issue that repeatedly arose during implementation and evaluation referred to *secondary education*. Bank sectoral strategy in Albania was not focused towards either secondary education or vocational education at the time. (Grades 7-8 are included in the Albanian upper basic education.) The construction program helped increase the number of academic schools for grades 9-12, which rose by 3,400 percent (7 to 239).⁹ However, neither project tried to slow down the loss in secondary education enrollments or to prepare former vocational schools to function as general academic institutions in rural areas. Only in the third (ongoing) project did increased secondary education enrollments finally become an objective. So, while the project was being executed, secondary education enrollments decreased and students continued to drop out. Schooling expectancy in Albania dropped from 11.6 years in 1989 to 9.5 years by 1998, 2 years of schooling loss in a decade (Annex Table B-1).¹⁰ It is likely that the low number of schooling years affected the long-term competitiveness of the Albanian labor market. An international adult literacy survey showed that to apply knowledge to solve problems and thus function effectively in the modern workplace, individuals need to achieve level 3 (scale 1-5). Achieving this level was associated with having completed upper secondary education, which many Albanians do not achieve.¹¹

2.4 Increasing the complexity of project designs to include secondary education would not have been wise, given the limited institutional capacity. However, studies could have been done with the aim of understanding better how secondary vocational education was contributing to students' general skills and what could have been done to strengthen existing vocational courses of study.

9. Berryman 2000. Secondary education was mentioned with Schools Rehabilitation Project Staff Appraisal Report with respect to technical assistance for a curricular framework that was to be financed by a Swiss grant and achieved through interministerial collaboration (SAR, 1994, p. 6, 37; Table A-1). However, donors and the government were ambivalent regarding the direction to which this subsector should go.

10. According to a 2007 Bank Policy Note these patterns continued 15 years later. In 2000, rates of return were high for basic education but low for higher secondary education. The 1996 Employment and Welfare Survey (Living Standards Measurement Survey; LSMS) showed that 35% of students aged 10-14 who had left school did so due to low family income, and 20% due to low perceived educational quality. Enrollments were affected by frequency of unqualified teachers (22% overall, 33% in lower secondary schools; Berryman 2000, p. 19). LSMS data showed that gender and urban residence did not significantly affect net enrollment rates in basic education, but commuting time and parents' education did (Berryman 2000, p. 84). The 2005 LSMS showed that the likelihood of enrollment is affected by greater land holdings of rural families, distrust of local authorities, repetition rates, and higher student-teacher ratios.

11. World Bank 2006, Public Expenditure and Institutional Review

IMPLEMENTATION EXPERIENCE

2.5 Both the Bank and the government officials were unprepared for the challenges at hand. The government had looked to the Bank as a source of funds to carry out emergency building repairs and was not initially prepared to deal with capacity building, quality assurance, accountability, transparency, or governance. It also had limited capacity to manage the work needed for technical assistance, and it repeatedly cancelled travel funds for training and consultant use.

2.6 The Bank provided much support through its headquarters and country office staff. But staff and management did not know how to deal with government staff who knew little of the outside world. Project files are replete with concerns about problems, unexpected changes, non-compliance with various agreements and officials' interest in private gain. Persons interviewed by the mission expressed concern whether cost overruns were legitimate. At the end of the first project, some task managers seriously advocated against further lending. During the second project, a state audit showed that about a million US dollars of the counterpart funds could not be accounted for, and the government replaced staff who were in sensitive positions.

2.7 As a result of the many problems, the projects accomplished little during the first two years; by mid-term review, they had disbursed less than expected, only 12-15 percent of the credit proceeds. Limited procurement experience and technical skills along with high staff turnover complicated issues; the PIU in the first project had only one staff, the director, until 1998. The project was also affected by civil unrest in 1997. The follow-on project operated in a smoother political climate and implemented more activities.

3. Achievement of the Project Objectives

3.1 This section presents results and evidence regarding efficacy that is the extent to which project activities and inputs may have contributed to outputs, outcomes, and impacts. For greater clarity, the project objectives that have multiple parts have been disaggregated, though one rating is given to each objective. To facilitate discussion, the components of the Reform project are presented in a different order (Table 2-1).

SCHOOL REHABILITATION AND CAPACITY BUILDING PROJECT (CR. 2633)

Objective 1: Accelerate rehabilitation of damaged and dilapidated school facilities in Albania's 37 districts (substantial)

3.2 During 1993, the MOES and its district level buildings works units undertook an assessment of school rehabilitation requirements, with technical assistance from a Japanese Grant. The study estimated that 60 percent of the pre-tertiary classrooms needed repair or complete replacement. The base cost nationwide was estimated at about US\$80 million. The project financed US\$10 million for civil works, which constituted 90 percent of the credit proceeds, but still corresponded to only 15 percent of the needs. No new buildings were to be financed, merely emergency repairs or replacements. The

Soros Foundation separately financed many civil works, but many unfilled needs remained.

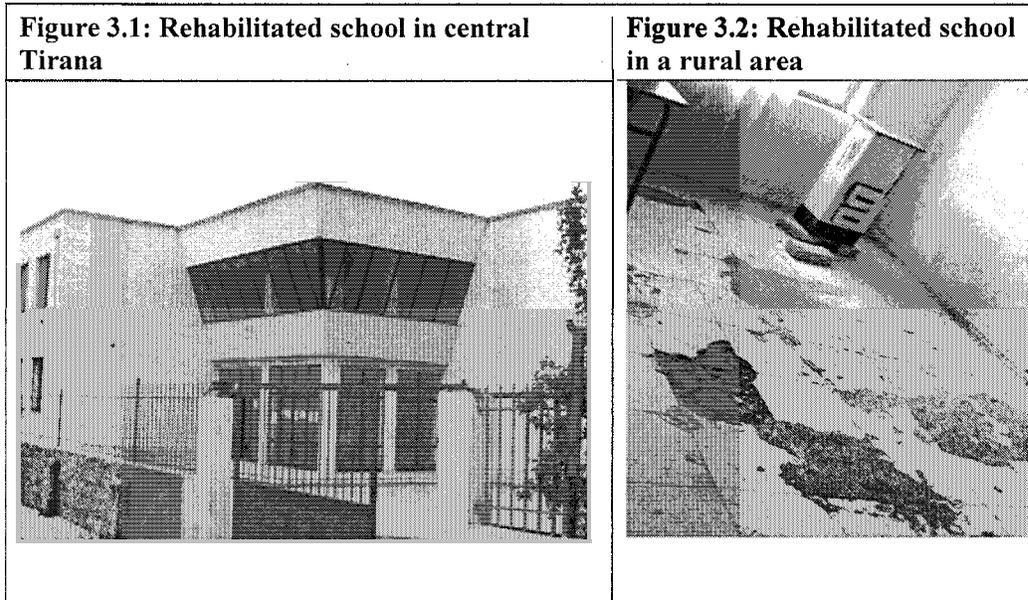
3.3 The Bank underestimated the construction risk factors. Sufficient materials could not be found locally, so they were imported, but they were often stolen. There were no construction guidelines for buildings and furniture, so contractors did what they thought was best. There had been no market research before, so some contractors were not qualified to do the work, and they delivered less than expected. Construction prices rose above the appraisal amounts without a clear justification. MOES did not have the capacity to supervise the works and at the insistence of the Bank hired private architects, who were also not qualified and who performed poorly. Overall, the construction program improved conditions in rural areas. However, fewer buildings than expected were rehabilitated (only 157 against 237 planned) and in fewer districts (Table A-1).¹² The reduction in geographic scope was due in part to mass migrations to urban areas and the need to rehabilitate larger schools in towns. By 1998 the number of rural classrooms had declined to 59 percent of the 1989 number, but the number of rural schools was stable for grades 1-8.

3.4 The effort to furnish schools ran into similar problems. Without guidelines, the furniture constructed was of variable quality, but also consisted of desks that cannot be easily moved into circles for student collaboration (The furniture financed by Soros Foundation is modular and therefore has more flexible uses than Bank-financed furniture.)

3.5 **IEG school visits.** The IEG mission visited schools in Tirana, Himara, Saranda, Kruje, and Shkoder.¹³ Interviews with teachers and principals on building conditions revealed a mixed picture. In some areas rehabilitation and maintenance were satisfactory (Figure 3.1), and schools are painted every year. In others maintenance is limited, and staff often report leaking roofs that then damage the building interior. The poor workmanship of the earlier years was evident in tiles set directly on concrete that quickly broke up (Figure 3.2). Some interviewed principals regretted the fact that only very basic repairs had been made, and they had lost the opportunity to make needed changes with little added cost.

12. Project documents did not discuss environmental safeguard issues for civil works.

13. The schools visited by the IEG mission were: Ethna Duhan (Tirana), 9-year school of Kamza, 9-year school of New Kamza All-grade school of Duka (Vlora, Oricum, Vlorë), 9-year school of Himara, No. 1 school in Krujes Tapiz – Komuna Nikei (Kruje), Hajdar Hoxha in Larushk, Ndremjeda school in Shkodra. This is a convenience sample and is used for illustration purposes rather than for rating the projects.



Objective 2 (Part 1): Build capacity of the key sector institutions to stimulate efficient use of fiscal resources (modest)

3.6 The capacity building objective was to aid in the transition to a market economy, but government refusal to fund technical assistance resulted in the cancellation of many planned activities. Other technical assistance activities were poorly executed, such as the installation of a decision software program (Table A-1). During the midterm-review, capacity building was restricted to three subobjectives: (a) school mapping, (b) quality assurance (interpreted as training for staff of the Assessment Center), and (c) converting the state textbook publishing and distribution enterprise into joint stock companies with the aim of selling them at a later time. The documents do not describe in detail the process for activity (c).

3.7 These reduced activities were largely carried out (Table A-1). The school mapping exercise provided the data needed to identify which schools needed rehabilitation most urgently. The textbook publishing and distribution companies received equipment and technical assistance in order to become more competent and marketable, and they were converted into joint stock companies. (During the second project they were sold through means that were not transparent and were effectively disbanded, as trained staff opened their own publishing companies.)

3.8 Overall, staff interviewed by the IEG mission believed that government officials did not clearly understand the rationale for the institution-building activities that were financed. The Bank emphasized software and systems rather than demonstrate to the government why these components were necessary. School mapping, one activity related to institutional capacity, clearly helped school reconstruction. But in general, the activities were not clearly aimed at capacity-building to use fiscal resources more efficiently, and there is no evidence that this subobjective was achieved. To the contrary, activities increased recurrent expenditures for salaries, and arguably may have resulted in less efficient use of fiscal resources. Staff also expressed concern about the privatization

of the state companies for textbook printing and distribution, for which Bank documents give very little information. Nevertheless, the accelerated pace (according to project documents) of privatization was partly justified by governance concerns of those in charge and payments to fictitious entities.

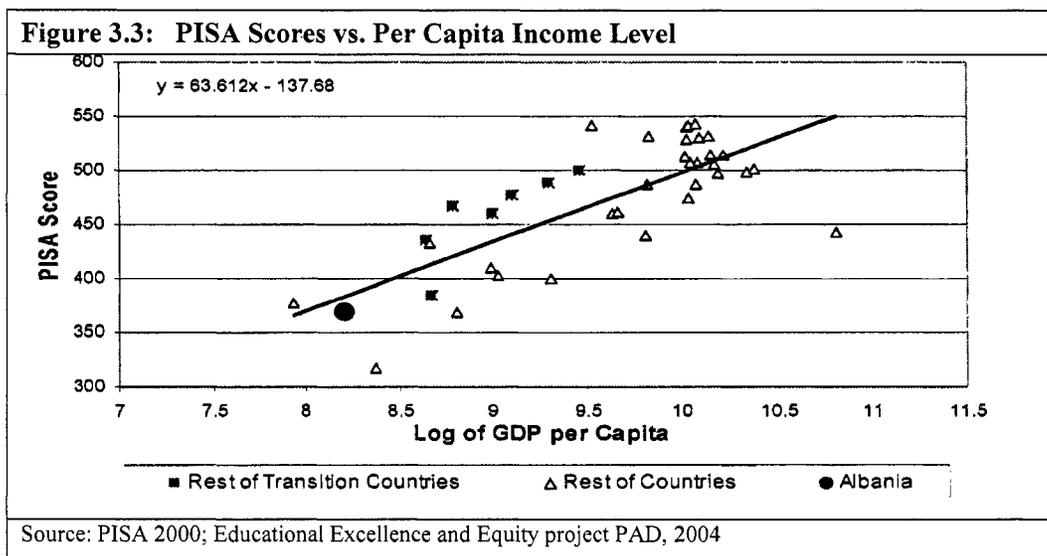
Objective 2 (Part 2): Assure quality of learning outcomes (negligible)

3.9 The Bank's 1990 Education Strategy paper had emphasized learning and achievement monitoring. However, the project had no activities specifically aimed at improving learning outcomes (such as making instruction more efficient) or assuring instructional quality (such as improved supervision). Instead, the documents discussed the need for Albania to participate in international comparison tests and financed capacity-building for sample-based assessments. The Pedagogical Institute established an assessment center, and staff received some training through institutional twinning on developing multiple-choice items for learning assessments. However, staff turnover has been high, and the initial capacity was not sustained. Also, the government has been reluctant to allow sample-based testing, so statistically based examinations were not used until about 2005 (See also para 3.29 and Table A-2.)

3.10 Like other countries, Albania had been conducting essay-based and empirically graded examinations, and though student grades are imperfect measures of achievement, much could have been learned about instructional weaknesses by analyzing grades (see for example, para. 3.30). Statistically based examinations are needed to manage large numbers of applicants for few positions or gross injustice in examinations grading, but Albania did not have these problems in 1993. Psychometrics is a useful but technically challenging field. It might have been more cost effective for the government to conduct focused training for a small number of specialists rather than pay for 10 years salaries to staff with little training.¹⁴

3.11 The examination center prepared for Albania's participation in the 2000 PISA (Programme for International Student Assessment), which was financed by the Soros foundation. The country had the lowest score along with the Former Yugoslav Republic of Macedonia (FYROM) (Figure 3.3). The comparative outcomes of Albanian students, who tended to be from better off families, created much concern. However, no specific actions were taken to improve performance, such as ensuring inclusion of all students in class discussions (para.3.33, Box 3-1) Albania has not participated in another international testing event, though it plans to participate in the 2009 PISA.

14. Worldwide, the Bank has financed assessment tests, but countries have rarely used the results (Greaney and Kellaghan 2008, Ferrer 2006).



EDUCATION REFORM PROJECT (CR. 3343)

Objective (Part 1): To assist the Ministry of Education and Sciences in planning and managing the delivery of educational services (substantial)

3.12 By 2000, the government was better able to deal with the complexities of donor-financed projects, and the Reform project set expectations higher. The Reform project continued and expanded on the activities of the first project but in a different configuration of objectives and components. Some important policies and activities took place that strengthened service delivery in education (Annex Table A-2). However, other activities were cancelled, such as a special initiatives subproject of US\$2 million. The government also continued to limit technical assistance financed through lending proceeds.¹⁵

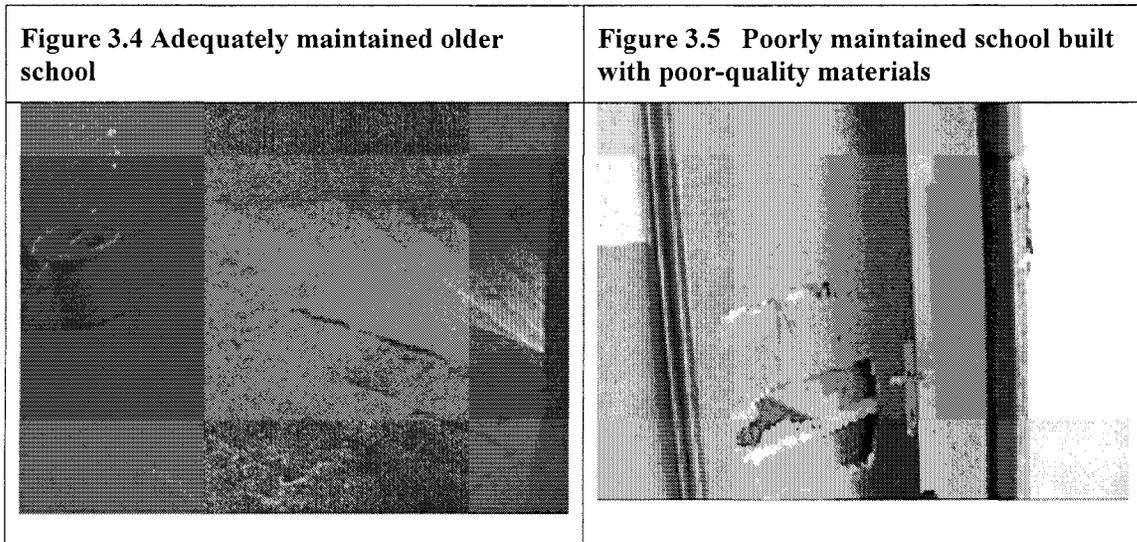
School Rehabilitation

3.13 Demographic studies showed that the population would drop (Annex Table B-4), so the Reform project did not build new schools. It continued the rehabilitation work, with 59 percent of its disbursements being devoted to that activity. Building standards were developed, that have been used in subsequent projects as well. The problems of the first project continued, albeit to a smaller extent; the supervising company performed poorly, and the Ministry of Education had to assume greater responsibility. Due to delays and increased unit costs, numerical targets were not met; only 22,000 student places were rehabilitated, compared to an expected 35,000.

3.14 Maintenance was a core Bank concern, particularly, because the poor quality of the rehabilitation would result in larger expenses later. (Figure 3.4 and Figure 3.5)

15. The IEG mission was informed that parliament will not approve projects that have more than 20 percent of proposed disbursements in technical assistance, and efforts are always made to keep technical assistance costs low.

Efforts were made to plan for it, and eventually some actions were taken. With increased decentralization, municipalities have assumed construction, repair and maintenance functions with Ministry guidelines, sometimes through community contributions (such as salaries for cleaning staff). However, budgets have remained limited. The municipalities receive a lump sum, which they may spend on other activities rather than a dedicated budget item for this function; therefore, some do a better job than others.



Curricular Development

3.15 A large-scale curricular reform and modernization had been envisaged in the sector studies for the sector, but there were concerns about design complexity and the capacity of MOE to organize large-scale deliberation process on curriculum priority setting. This challenge was deferred throughout the 1990s to 2004, and the project financed few activities for this task, such as nine days of training for secondary curricula. In the last year of the project, Romanian experts provided technical assistance towards larger-scale reform activities, since their country had gone through a similar experience.¹⁶ Rapid implementation did not leave time for broader consultations and pilot-testing during the project period, but wide-ranging curricular activities continued into the ongoing project.

Textbook Provision

3.16 During the reform project, the state publishing and distribution enterprises were sold and textbook publishing was privatized. By 2008, about 24 local companies were publishing books.

16. The development of a curriculum framework relating general and vocational education as well as financing implications was to be financed by a Swiss technical assistance grant (Education Reconstruction Project PAD, 1994, p. 37). Some grant activities took place, but outcomes were not clear. Consultants interviewed by IEG reported advising the government to create integrated courses with the essential competencies, but the government was interested in maintaining an “encyclopedic” knowledge.

3.17 The Reform project financed through international competitive bidding the acquisition of new textbooks for free distribution to schools that were to be maintained for three years. This activity was also supported by the policy content and timing of the third PRSC (Cr. 4006 signed in 2004). As a result, about 97 percent of students in grades 1-7 received free textbooks (Annex A-1; rest did not receive the textbooks). Initially there were problems with artificial scarcity and sale of books at the black market for high prices, so textbook policies have evolved over time. Since 2006, students must buy the books personally and two months later receive a subsidy in the mail; the subsidy amounts to 70 percent for primary grades and 50 percent for secondary grades. (In rural areas, distributors send them to schools directly, or directors may pick them up, give them to students, and earn the commission that booksellers would otherwise earn.) The well-to-do are less likely to request the subsidy, so the application process constitutes a form of targeting.

3.18 Textbook provision functioned satisfactorily in 2008 according to the many students, directors, and booksellers interviewed by the IEG mission. Average prices are 200 lekë (about US\$2.10) per textbook, but book costs can be significant for families. (Primary grades have 5-9 textbooks or workbooks, grades 6-12 have 12-14 textbooks). There is conflicting information regarding price changes. Some of the persons interviewed believed that prices had risen in real terms while others pointed out that the subsidy lowers them. (The 2009 Living Standards Measurement Survey will obtain cost information from parents.) But all students visited by the IEG mission had all necessary textbooks and had been able to obtain them since the first day of classes. The textbooks are visually appealing and teachers who were interviewed stated that they are factually correct.

3.19 Rather than a single official textbook per course, the Bank has promoted a policy of wide choice in Albania and elsewhere. The Ministry has established a vetting and approval process for candidate textbooks that involves ratings by committees of teachers (for methodology, subject accuracy, linguistic accuracy). The system works well according to some persons interviewed by the IEG mission. However, most textbooks are accepted subject to a ceiling price, and the number of alternatives is large. For example, there may be seven history books for grade 6, from which school teachers must choose. This means that publishers must print small numbers and try to generate demand, so book costs may thus be higher. Some persons interviewed expressed a concern that some publishers may be pressuring certain schools into buying their own. The benefits of textbook choice remain unclear, so it would be useful to conduct an evaluation.

3.20 Officials interviewed by the IEG mission believe that textbook availability has improved school attendance and reduced dropout rates. In four non-randomly selected secondary schools of the Tirana school district, pass rate increased from 53 to 59 percent among all students and from 59 to 66 percent among girls, while dropout decreased from 7.6 to 3.6 percent. International research would support the government's conclusion.¹⁷

17. Education Reform Project, 2006, p. 8 and p. 38 (Borrower's contribution). Research in other parts of the world has demonstrated the effects of textbook and building conditions on learning outcomes (OED 2004).

Policy Design and Management of the System

3.21 The project financed various activities aimed at decentralization, some of which were implemented after its completion, in 2005. “Boards of trustees” were established in every school. Boards may make some decisions, such as subjects to study in the curricular hours devoted to local content, learning standards, and financing needs.¹⁸ In all schools visited by the IEG mission boards had been established, meetings were held every 2-3 months, and participation was satisfactory. However, the Boards’ contributions thus far have been unclear. Inquiries during the mission revealed varying levels of interest by the citizens.

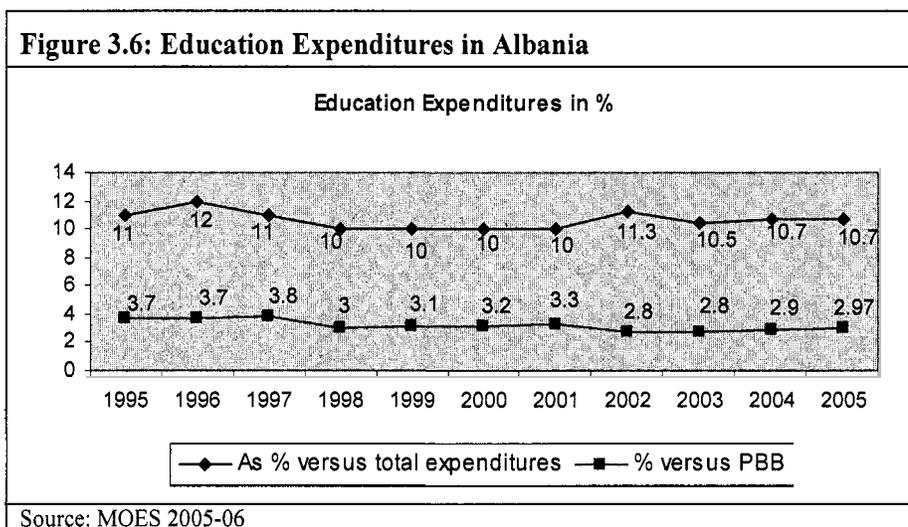
3.22 A key goal of managing the delivery of educational services was to rationalize resource use. Since only about 3.1 percent of the per capita GDP was devoted to education, teacher salaries eroded in the 1990s, and the quality of the services was undermined.¹⁹ For this reason three PRSCs in 2002-2004 attempted to increase the spending on education through conditionalities and policy interventions. The PRSCs have been successful in promoting some important policies (for example see section on textbooks), such as obtaining parliamentary approval for laws that are important for various sectors. However, the PRSCs may have had a limited effect on sectoral expenditures. The effect has been hard to ascertain because verification of expenditures has been difficult. Staff who were interviewed reported a limited capacity to monitor budgetary changes; disbursement conditions are multiple and complex, while the announced and executed budgets differ.

3.23 The per capita GDP of Albania has increased rapidly, from US\$1,340 in 2001 to US\$2,590 in 2005 (Annex Table B-1). However, education expenditures as a percentage of the budget showed a small improvement in 2001-2004, and as a percentage of the per capita GDP they were reduced (Figure 3.6). Thus, education continues to remain severely underfunded, particularly at the secondary level and for non-wage recurrent spending.²⁰ One option would be to use curriculum revisions as an opportunity to reduce teacher numbers and rationalize unit costs (Section 5).

18. Examples of parental management exist in various countries, but a UNESCO study raised cautions about handing over the ownership of schools to poor village communities, who are unprepared for the role. The study raises the possibility that such a move can exacerbate partisan politics. And community members may be relegated to administrative support, rather than in governance (UNESCO 2007).

19. PRSC III PAD, p. 32. The European Union countries spend about 4.9 percent of the per capita GDP for education, while southeastern European countries spend about 3.9 percent.

20. World Bank 2006, Public Expenditure and Institutional Review.



Educational Management Information System

3.24 The project aimed to enhance the decision-making skills of policymakers through data collection and analysis. Several activities took place, such as a data collection and a query system for administrative and analytical software. It was to link the Ministry with two pilot districts, but the link did not become functional, and data were not collected or analyzed. Key documents were developed only toward the end of the project (Annex Table A-2). Nevertheless, a “report card” with various student statistics was developed and published in 2004-2006.²¹ Though the publication was very useful for donor staff, it had little demand by citizens, and further editions have been delayed.

3.25 As in the previous project, decision-makers continued to be ambivalent regarding the uses of the EMIS. The ICR reports, for example, that during the project period, staff were unsure whether the system should collect student-based information (attendance, performance) or school-based information. The Bank put more emphasis on software issues, but the quality of the technical assistance provided was reported as deficient to the IEG mission. Consultants could have explained more and demonstrated data use in order to convince policymakers of their utility. Many government staff have become since convinced of the utility of the information with the passage of time, but for several years, the Ministry spent money to collect data that were rarely used for decision-making.²²

21. Ministria e Arsimit dhe Shkencës. 2003-2004, 2005-2006.

22. A business study (Sutcliffe and Weber 2003) showed that managers were more limited by a lack of capacity to make sense of data than by inadequate or inaccurate data. High performance was related more to interpretation than marginal data quality and accuracy. Thus, it may be more efficient to enhance managers' capacity to interpret whatever data they have than to spend much money increasing the marginal accuracy of data available.

Quality Assurance

3.26 As with the Reconstruction project, this subcomponent did not include activities to ensure quality of instruction. The 2000 sector study again underlined the importance of producing fair tests for entrance in the university, so the project continued to support training in psychometric competencies and research design. The examinations department has taken several years to develop the technical background necessary for conducting statistically valid and reliable assessments.²³ Over time, it has expanded from 5 to 26 staff and is in charge of administering tests of various kinds country-wide. Towards the end of the project, the activity level increased. Recent tests include the secondary school-leaving and entrance examination (matura) and preparations for a PISA examination in 2009.

Objective (part 2): Strengthen accountability to stakeholders for that delivery (modest)

3.27 Few specific actions were implemented to fulfill the accountability subobjective. The activities financed by the project pertained to provision of information, that is considered a necessary but only an initial stage of improving accountability.²⁴ A statistical annual was produced of enrolments and pass rates. Also, some information kiosks were reported to the IEG mission as having been opened, but their frequency and utility were unclear. A public expenditure tracking survey was carried out. It found a lack of transparency in the use of funds by district offices, but actions were not taken during the Reform project.

3.28 Insistence by the donor community on transparency and accountability may have paid off in the long run. Some district staff reported to the IEG mission that the central authorities are now vigilant on how funds are spent and request feedback on performance. District staff are now empowered to select new teachers competitively, on the basis of their credentials.

DID LEARNING OUTCOMES IMPROVE DURING THE EDUCATION REFORM PROJECT?

3.29 Improvement is uncertain. Few assessments were conducted over the years, so the project documents show little information regarding learning outcomes. Graduation rates in basic and secondary education are very high, 95-98 percent,²⁵ and it is unclear whether they have improved over time (Table 3-1). Nominally, at least the vast majority of

23. The ICR of the project incorrectly states that in 1999 the TIMSS examination was given in Albania, and that grade 4 and grade 8 sample based assessment were given (for the latter in 2003, 2004). IEG was informed that this was not done during the project period. A grade 4 test was reportedly conducted and a workshop was held, but the mission could not obtain a report.

24. Accountability functions consist of reporting on progress toward program goals to key constituent groups (Newmann et al 1997, Carnoy and Loeb 2002). The prerequisites for accountability in a principal-agent relationship are delegation of tasks, finance of tasks, performance of duties, information about performance, and enforceability (Reinikka and Smith 2004).

25. MOES 2005-2006

students are considered to meet academic criteria necessary for graduation, though many score too low to enter the university.

Table 3-1. Graduation rates at the end of grade 12 in June and after the fall repeater examinations

School year	Promotion Rate in Basic Education (Grade 9)	Graduation Rate in Secondary Education	Gradation Rate in Vocational Education
2003-2004	97% (95% in June)	94% (77% in June)	95% (77% in June)
2005-2006	98% (95% in June)	94% (77% in June)	94% (77% in June)

Sources: MOES 2003-4, 2005-06

3.30 These high pass rates seem to contradict the 2000 PISA results, which show Albanian students scoring poorly (Figure 3.3). However, the majority of students obtain barely passing grades (Figure 3.8). Systematic and more rigorous testing conducted in 2004 at the end of grade 8 shows that between a quarter to a third of all students received barely passing scores in language and math (Figure 3.7). On average only 34-39 percent of the questions were answered correctly in language and math respectively. Performance was particularly poor in language (where urban-rural disparities are also significant; Figure 3.9). Students' grades had a similar distribution, but about 5 percent fewer students would pass if only the test were used as a criterion. Classroom research confirmed teachers often give barely passing scores to failing students (Box 3-1).²⁶

Figure 3.7: Traditionally vs. Anonymously Scored Test Results, Grade 8, 2006-2007

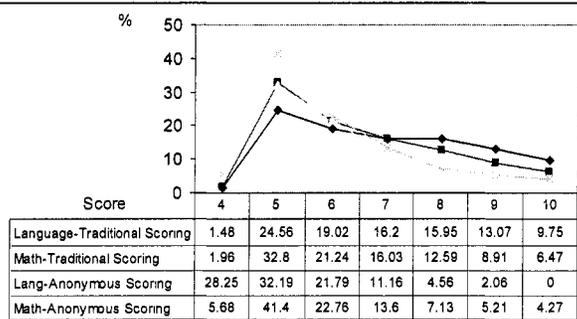
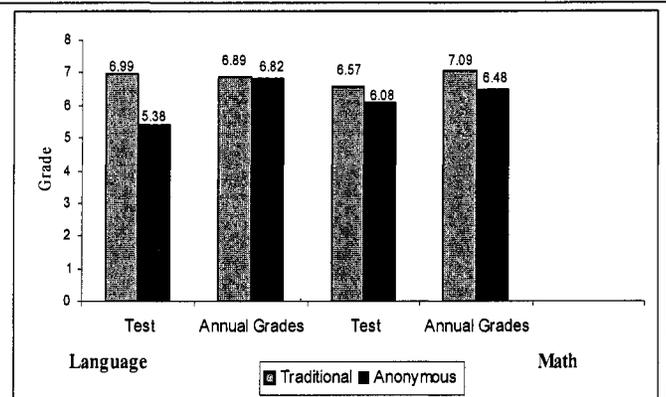


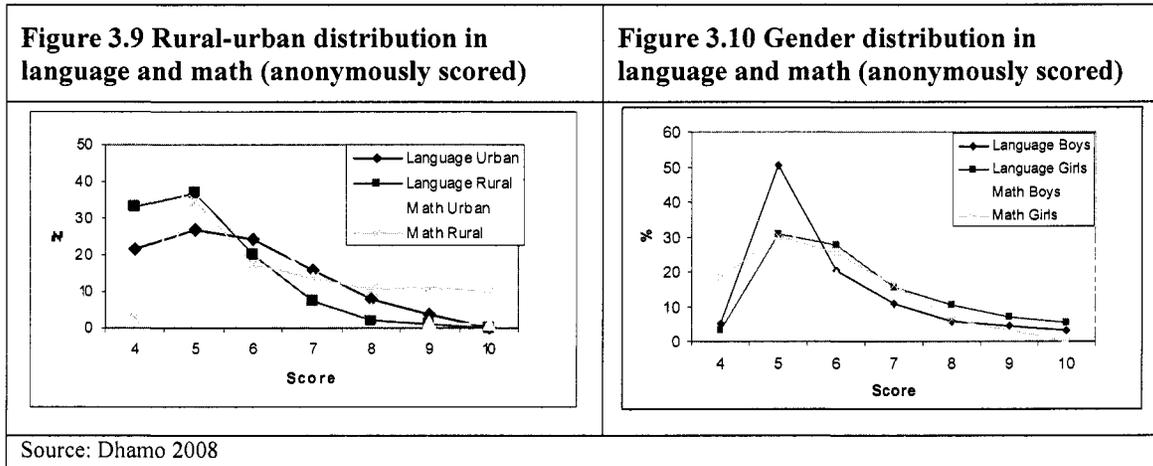
Figure 3.8: Annual Grades in Districts of Traditional vs. Anonymous Test Scoring



Source: Dhama 2008; grades and test scores are presented in a scale of 4 to 10; 5 is minimum passing.

3.31 To assess this matter further, the examinations department arranged for an anonymized scoring of students' written questions by teachers of other districts. A pilot

was conducted in two average-scoring districts (Kruje and Kavaje). The scores were significantly lower than would otherwise have been obtained. The distribution of both populations shows potentially larger percentages of students failing or passing with the barely acceptable grade of 5 (out of a score of 10; Figure 3.7 and Figure 3.8).



3.32 Gender disparities were also notable, with girls in general performing better than boys. In the anonymously scored regions, 36 percent of the male 8th graders failed in math compared to 18 percent of the girls. In reading only 3 and 5 percent respectively failed (Figure 3.10). These low scores suggest that some students, particularly boys, lack sufficient prior knowledge to follow the subject matter of higher grades and may drop out. Therefore the low enrollment rates of secondary education may be to some extent due to low performance in basic education.

3.33 The IEG mission observed instruction in classes and interviewed district inspectors. In the schools visited, teachers were present, and in almost all classrooms students were found to be engaged in learning tasks. Thus, instructional time was used well. Furthermore all first graders who were asked to read did so and knew how to decode two months before the end of the school year, and no second graders were found who were illiterate. This small convenience sample would suggest that Albanian students learn basic skills early on and ought to progress to more complex material. However, the teaching methods used may prevent students from consolidating the information and connecting it in ways leading to complex knowledge. A Bank-financed study showed that in 2006 teachers lectured 53.5 percent of the time and gave students limited opportunities to contemplate the material and encode it appropriately for future recall.²⁷ A UNICEF-financed study elucidated in greater detail the issues related to low performance (Box 3-1). The IEG mission observed several instances of extensive teacher lecturing and interaction only with those who volunteered to answer. In some of the more advanced grades the involved students were only 2-3.

27. World Bank 2007. For a review of research related to encoding and retrieval of classroom material see Abadzi 2006, Chapters 8-10. For reading issues see Chapter 5.

Box 3-1. Education for All or Just for Those Who Can Keep Up?

A UNICEF-financed study conducted extensive classroom observations in Albanian schools. It was found that teachers delivered the curriculum but worked mainly with the students who could keep up. Of classroom 45 minutes 17 involved mainly a student next to the blackboard repeating various information items.

Teachers asked about 16 questions per hour but directed them at the better students (4.7 times more than failing students). The remaining students were uninvolved and asked no questions. Teachers made no effort to remediate failing students, but gave many of them passing grades, changing the failing scores of 4s into 5s (para. 3.31).

Teachers were asked to estimate after how many of their students had learned the material that had been taught. They estimated on average that 65% of students would perform. However, only half of the students obtained a pass mark on the topic that had had been taught; 73% performed below teachers' expectations, while 22% performed above expectations. Overall teachers were correct 5% of the time.

The tendency of teachers to interact with the best students is a worldwide problem that puts the Education for All initiative at risk.²⁸ Teacher training can help by focusing not just on subject matter (which most Albanian teachers appear to master given their test performance) but on techniques aimed at maintaining student attention and encouraging weaker students to respond.

Source Sultana 2006

4. Ratings

PROJECT OUTCOMES

4.1 The objectives of the **School Reconstruction project** were *highly relevant* to the needs of the country, particularly the extensive school rehabilitation needed. The relevance of the *design was substantial*. There was a need for more civil works, so the resources were allocated correctly and on the issue of the highest priority. Of the capacity-building priorities, the Bank emphasized items of unclear linkage to efficient use of fiscal resources or to learning outcomes. The rationale was less clear for statistically constructed examinations that require much technical sophistication. On the other hand, no direct investments were planned for sustaining secondary education enrollments or improving the quality of learning at that level.

4.2 The objective of the **Education Reform project** (which consists of multiple parts) was in principle *highly relevant* to country needs. *Design relevance was modest*. Resources were correctly allocated to the priority need for civil works. But the non-construction activities were peripheral to improved accountability and service delivery (e.g. instruction and learning outcomes). Furthermore, the wording of the objective (Table 2-1) made difficult to determine from the achievement of the components and the monitoring indicators whether the objective has been attained. For both projects, the documents (such as the 1993 and 2000 sector studies) failed to demonstrate a chain of

28. Lockheed and Harris 2005

causality and show how accountability or learning outcomes were to be obtained from the various activities that were chosen for financing.

4.3 For the **School Reconstruction project**, *efficacy* is rated *modest* (Table A-3). The project faced serious implementation difficulties, but it improved school infrastructure. It also encouraged the ministry to develop some institutional policies, although institutional development outcomes were limited. *Efficiency* is also rated *modest*. The project suffered from questionable cost overruns and modest-quality rehabilitation of schools that created problems for the future (para. 2.6). Overall, outcome is rated *moderately unsatisfactory*.

4.4 For the **Education Reform project**, *efficacy* is rated *substantial* (Table A-3). A large number of schools were rehabilitated, and important education policies were conceived and partly implemented, such as the decentralization strategy. The policy and construction activities showed improved government capacity to plan and deliver educational services. However, more could have been done to rationalize expenditures through curricular revisions and to strengthen accountability to stakeholders.²⁹ *Efficiency is rated modest*. Wastage was reduced in comparison to the first project; design standards for schools may have helped keep costs under control. Textbook prices were reduced, at least in the short term. However, questions of financial management arose, and the government replaced staff in sensitive positions (see para. 2.6). Overall, outcome is rated *moderately satisfactory*.

RISK TO DEVELOPMENT OUTCOME

4.5 Overall, risk to development outcome for both projects is rated *moderate*. The underfunding of the system may undermine the gains that have been made up to the end of the Education Reform Project. Textbook prices may increase, and the government may be unable to maintain the aging buildings. Finally, the degree to which these investments will sustain student performance in the long run is uncertain. However, the planning and monitoring capacity of the government continues to improve, and better use of monitoring information is likely to mitigate risks.

BANK PERFORMANCE

4.6 *School Reconstruction Project*. Quality at entry is rated *moderately satisfactory*; civil works were correctly identified as a priority, but implementation guidelines were not provided, and some of the activities financed were not of the highest priority. However, the Bank had a limited experience with a country like Albania and a limited choice of simple investments to make. Implementation performance is rated *satisfactory*. Task managers spent much time and effort to help implement the project and find solutions for problems with which they were unfamiliar. Overall, Bank performance is rated *moderately satisfactory*.

4.7 *Education Reform Project*. Quality at entry is rated *unsatisfactory*, because there was a limited correspondence between objectives and components, a lack of measurable

29. An example would be a public display of financial information on school notice boards so that all beneficiaries could see, monitor, and question.

indicators, unclear priorities, and no attention to learning inputs or outcomes. Implementation is rated *satisfactory*. The project was diligently supervised, and the Bank dealt constructively with the many challenges that arose. Overall, Bank performance is rated *moderately satisfactory*.

4.8 The donor and government staff interviewed by the IEG mission expressed a high regard for the Bank's policy orientation and advice. Local staff also provided good support, which government appreciated. However, sometimes staff used economic jargon excessively, and government officials found it hard to understand what Bank staff meant.

BORROWER PERFORMANCE

4.9 Borrower performance is rated *moderately unsatisfactory* for the Reconstruction project and *moderately satisfactory* for the Reform project. The government was weak in the early 1990s and agreed to a number of project components and covenants without a clear idea of the outcomes to be obtained. Some activities involving lower-priority items created recurrent expenditures, such as staff to monitor decision software that remained unused.

4.10 The performance of the implementing agency is rated *moderately unsatisfactory* for the Reconstruction project and *moderately satisfactory* for the Reform project. Government weaknesses were reflected in weak project implementation units and staff. During the execution of both projects the PIU had difficulty supervising civil works, and many staff and consultants lacked qualifications for the positions they held. Lack of experience made it hard to deal with procurement issues and also with the extensive governance problems that arose. During most of the first project implementation, the PIU staff consisted of a single person. To staff the unit and stem the turnover, the salaries that were paid were double the Ministry salaries. This caused some resentment among Ministry staff, so during the second project, the Ministry of Finance equalized the salaries of the PIU and ministry staff. Through the difficulties of these two projects, however, the government learned a great deal and became much more capable of managing its education system and the follow-on project.

MONITORING AND EVALUATION DESIGN, IMPLEMENTATION, AND UTILIZATION

4.11 The School Reconstruction project was carried out before monitoring indicators were required in the Bank. No systematic means was put in place for data collection, or even feedback on the condition of rehabilitated schools. Monitoring and evaluation are rated *negligible*.

4.12 The monitoring and evaluation function of the reform project is also rated *negligible*. Although some indicators were developed, they were not easily measurable, and the project did not have explicit enrollment or learning outcomes. Measuring the impact of institutional development can be difficult, but project documents show a limited effort. The Implementation Completion Report (ICR) of the project (p. 18) mentioned a monitoring and evaluation study, which reportedly showed that the majority of the citizens who were polled were aware of project activities and expressed satisfaction. However, the IEG mission could not locate the study. Some statistical

analyses in subsequent work were conducted through the use of two Living Standards Measurement Surveys (LSMS), financed by the Bank in 1996 and 2005. However, no evidence was found that the information produced in these analyses was used to improve implementation.

5. Issues in Sectoral Strategy

FUTURE CONSIDERATIONS FOR CURRICULUM DEVELOPMENT

5.1 Interviews with staff and curricular samples reviewed by the IEG mission revealed that the new curricula focus on competencies and use in some cases the “spiral” approach, whereby students are gradually and repeatedly introduced to complex concepts and through various courses.³⁰ However, some staff thought that the curricula are still too academic and subject to political influence in humanities courses. Subjects are too many, narrowly defined, and not always essential (e.g. astronomy, philosophy). These issues result in scheduling conflicts and inefficient use of teachers.

5.2 The curricular structure determines the number and types of teachers and textbooks. To improve resource use, the Bank could have emphasized simple curricular development activities since the first project. There was a need to think in shorter-term frames and finance fewer courses and more integrated content that use resources economically. However, project documents show that curricula were viewed as a time-consuming and complex undertaking, in which the Bank had little involvement.³¹ As a result, opportunities were lost to rationalize expenses that have long-term effects such as number of courses, textbooks, teacher qualifications, and the rationalization of expenditures. In 2008 grades 6-12 had 12-14 courses each, every one needing a textbook and teacher cadre with limited crossover. Many teachers are very specialized, e.g. teaching only geography and civics, and multiple teachers are used in grades 5-6 which in many countries are taught by a single teacher. The complexity and multiplicity create financial pressure. So, despite class size increases and a drop in the absolute number of students since 1989, student-teacher ratios have remained flat or have dropped; in basic education the ratio has remained constant at 19 students per teacher and in secondary education it has dropped from 21 to 17.³²

5.3 With the advice of European experts and the efforts to align with the European Union, curricular designs and instructional methods are becoming more complex. The government has received much advice towards making classwork more varied and

30. For spiral curricula see Bruner 1966.

31. The 2000 sector study merely promoted the inclusion of learning standards, foreign languages and “more modern courses” (Berryman 2000). Subsequently the ICR recommended “consolidating narrowly defined subjects and continuing to integrate new pedagogical methods focusing on skills rather than factual information” (Education Reform Project ICR, p. 16, 2004).

32. The number of students per class in 1990/91 was 21 in basic education and 31 in secondary, but in 2003/04 it was 24 in basic and 34 in secondary (MOES 2003-2004). In higher-income OECD countries primary-level class size was 22 and secondary 23.6. Student-teacher ratios in OECD countries are 15 and 13 respectively (MOES 2003-2004, p. 47, 58, 121)

“active” (see example in Figure 5.1 and Figure 5.2. There are plans to change the current two-track curriculum (humanities and sciences) to a scheme that includes core curricula, electives, and special studies (e.g., Greek language for the Greek minority schools, art, computers, and local content). The wage and non-wage expenses that may arise from these choices have not been clearly estimated.

Figure 5.1 Geometry lesson in grade 4	Figure 5.2 Interactive lessons
	
<p>Constructing geometric forms from paper and plasteline to facilitate comprehension of dimensions and properties</p>	<p>In many classes observed, the majority of the students seemed to know the material and participated</p>

5.4 To teach effectively the textbooks and underlying new curricula teachers should receive training. During the Reform project, the Pedagogical Institute developed a training strategy with twinning from a Scottish institution, which is being implemented under the current project. During the IEG mission, school directors were being trained in standards and construction of school plans. A session was observed, which taught directors to develop measurable indicators that reflect student achievement.

5.5 Unlike most countries, Albanian teachers often get tested on the content of training and also get tested before promotion. Those applicants for promotion have high pass rates; 70 percent had “good” or “very good” performance and only 1.5-3 percent fail the examinations (Table C-2). The results suggest that teachers overall meet mastery criteria for the subjects they teach and the associated methodology.

5.6 Teacher trainers interviewed by the mission expressed preoccupation about how to teach specific concepts, such as polynomials. However, the high pass rates on promotion suggest that teachers may need large-scale training not on subject matter but on classroom management. Research by UNICEF (2006; see Text Box 1) focused on the causes of student disengagement and the “hidden dropout” that often precedes actual dropout. The research suggests that teachers stop interacting with students who are falling behind; they need training on how to maintain student attention and how to provide activities that help organize and consolidate the information, so that it can be retrievable when needed. A large conference was organized by UNICEF in 2006 on the causes of hidden dropout, and the Ministry issued an order to monitor student outcomes. NGOs like Soros have responded with a methodology called “step by step” (hap pas hapi).

Training modules have been developed, but until 2008, MOES had not yet done extensive training on the techniques of keeping all students involved.

THE IMPORTANCE OF EXPLICIT, RESEARCH-BASED CHAINS OF CAUSALITY

5.7 The National Education Strategy 2004-15 has educational quality improvement as its main goal. It is supported by the ongoing operation, the Educational Excellence and Equity Project. The objective refers to improved learning conditions, but few activities are directed at achieving this goal. As with the two completed projects, learning outcomes are expected to arise from indirect actions aimed at building capacity. Project design is based on a “holistic and systemic” approach, notably Annual reform Programs guided by principles such as: (i) maximizing support to teachers and school principals; (ii) increasing opportunities of good education for all; (iii) targeting support to the poorest populations; (iv) recognizing and encouraging local and regional initiatives to improve the quality of schools; and (v) raising efficiency by participatory and transparent review of procedures.³³ However, the PAD shows no line of reasoning as to how or why the activities to be financed will meet the above criteria and will build capacity. No findings of pertinent management research were shown nor were lessons learned from Bank-financed projects in Albania and elsewhere.³⁴

5.8 On learning outcomes, the specifics are also sparse. The subobjectives of the project specify that “teachers use new methods of teaching and wider variety of learning aids in schools”. However, these teaching methods are not defined at all. The monitoring indicator for new teaching methods and tools actually refers to “number of schools and clusters of schools engaged in school improvement activities” (PAD p. 30). Also, the PAD has no specific proposals about how to improve education other than encouraging local initiatives and does not specify how staff will recognize “good education for all”. There are no references to existing research or to research that could be conducted to find out. By contrast, the document has much detail on economic projections and civil works (p. 79-85).

5.9 This project design raises the concern that despite much investment, outcomes may again be unclear or disappointing. However, this can be modified during implementation. For example, “good education” can be specified through cognitive science research as efficient learning that maximizes recall of pertinent information. The criteria can also be used to evaluate ‘modern’ activities, which do not always make efficient use of time.³⁵ Teacher training could focus on the lessons of studies such as the

33. The objective of Education Excellence and Equity Project (Cr. 4180) is improved quality of learning conditions for all students and increased enrollment in general secondary education, especially for the poor. The intermediate goals are that leadership, management and governance of the education system are improved, teachers use new methods of teaching and wider variety of learning aids in schools, the quality of school infrastructure and the efficiency of its use are improved, and the initial steps of higher education reform are taken (Education Excellence and Equity Project, PAD, 2006, p. 6)

34. The hypothesis that improved management and capacity building activities will result in improved learning outcomes has produced some disappointing outcomes in Bank projects, such as the Northeast Brazil projects (Ln. n. 3375, 3663, 3603) and the Bahia Educational Program (P070827).

³⁵ See Abadzi 2006 chapters 4 and 8-9 for a review of the research.

“hidden dropout” study and its implications: keeping all students engaged in learning tasks all the time, ensuring their attention, contemplating the content, reorganizing memorized information items to answer higher-order questions. School grants could aim specifically at improving these features, particularly in poorly performing schools. Many unanswered questions could be investigated through targeted research (Figure 5.3 and Figure 5.4). Thus, the experiences of the completed projects can be used to improve future performance.

<p>Figure 5.3. Topics for potential research and teacher training</p>	<p>Figure 5.4. Second graders distracted in the back desk of a class</p>
	
<p>Albanian schools frequently give individual seatwork. In several countries it has been correlated with low test scores, but elite schools and the high-scoring east Asian and Cuban schools also give extensive individual practice. Research could define parameters in Albania.</p>	<p>Some teachers' tendency to interact just with those who volunteer enables others to stop paying attention or attempt to retrieve information, and they may fall behind. Specific classroom management techniques could be promoted to avoid this.</p>

6. Lessons

6.1 This assessment provides a number of lessons for the education sector:

- In a country emerging from difficult financial and social circumstances, emergency civil works repairs are a necessary and appropriate investment. To deal with the lack of experience and limited human capital available, simple project designs are also appropriate (paras. 3.3 and 3.13)
- Curricular structures determine numbers of teachers, qualifications, textbooks, and building use and may thus have long-term effects. Streamlining curricula can help reduce sectoral inefficiency and improve use of financial resources. The Bank should be more proactive in advising governments about efficient curricular structures. (para.5.2).
- Education projects often finance management information systems and statistically complex learning assessments in expectations of helping government officials make informed decisions about the sector. However, decision-makers do

not necessarily interpret data as expected. It is important to provide training and help governments understand the implications of the data that are already available before getting more or higher-quality data (para. 3.8).

- If timed right, budget support loans may encourage governments to take action in implementing reforms, such as obtaining parliamentary approval for laws that are important for various sectors. When designing these operations, the Bank must be careful to maximize complementarities and to establish feasible monitoring mechanisms (para 3.22-3.23).
- For new Bank clients, objectives and expectations for outputs and outcomes should be kept simple and realistic. Intensive supervision is required, for which the Bank must appropriately assign resources (para 2.1).

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Annex A. Implementation of project components

Table A 1: School Rehabilitation and Capacity Building Project (Cr. 2633)

<i>Components/ subcomponents</i>	<i>Activities</i>	<i>Targets to be achieved</i>	<i>Outputs</i>	<i>Outcomes Info obtained during mission</i>	
School Rehabilitation	School repair program 20 percent of net repair requirements, and furniture and equipment needs	To complete about 1,630 classroom repairs in selected schools in all districts, covering about 237 schools	157 schools in about 14 districts More urban schools rehabilitated than planned	Cost overruns and migration made the original number of schools unattainable or unneeded. Urban schools cost more	
	School replacement program; 10% of net nationwide school replacement requirements for buildings, furniture and equipment	Replace about 200 classrooms in 38 schools in the northern districts of Kukes, Puke and Shkoder	26 schools	Poor workmanship, unsafe components, ergonomically unacceptable designs. Lack of maintenance funds subsequently magnified deterioration	
Key Sector Capacities	Training and technical assistance	No specific targets	Limited use; refused until 1998, then receptivity improved	Government did not have the capacity to supervise	
	Pedagogical Institute to review institutional functions, reorganize, develop a strategic plan.	Technical assistance for the Pedagogic Institute; Tirana lecture series, study visits, twinning exercises	Premises rehabilitated Equipment provided Most training and twinning exercises were dropped; no strategic plan provided	Institutional outcomes were negligible, but refurbished premises served for enhanced institutional purposes later on	
	Quality Assurance in Basic Education (Pedagogic Institute)	Staff training in assessments Twinning arrangements	Staff extended from 3 persons to 5 Twinning with Scottish institution Study visits Preparation to participate in PISA		The ICR reports that the 4 th and 8 th grade exam conducted and graded, new matura exam pretested However the mission was informed by the Pedagogical Institute that no tests were conducted
				Item bank developed for the matura 2000 assessment (but not used)	Staff turnover limited the utility of training. No examinations were prepared for about 10 years.
			Database of recent developments in quality assurance Familiarity with education management practices	Training canceled	No effects
Planning and Management Information	Planning rural model to examine tradeoffs of school locations		Training received; Students participated in database development School mapping School mapping database created	Mapping used to ascertain building conditions, community demographic features	

<i>Components/ subcomponents</i>	<i>Activities</i>	<i>Targets to be achieved</i>	<i>Outputs</i>	<i>Outcomes Info obtained during mission</i>
		Staff training in Management information System	Decision software installed, but technical assistance for training was unsatisfactory	Software was not used for decisions; staff did not consider it necessary
	Textbook Improvement	Development of a textbook policy With help of UK Know-How Fund	Component scaled down Privatization strategy developed; STPH and TDE converted into joint stock companies	Sold during the follow-on project, then were effectively disbanded
		Equipment for the state publishing house	Provided	Equipment was used during the follow-on project
	Restructuring secondary education	Strategic planning capacity Experimental network Interministerial cooperation (Study visits, plans)	Little activity took place	No effect
		Studies conducted	-Analysis of administrative capacities of school directors -Governance study -Public expenditure review started	No clear results or use of the studies
	Project Coordination Unit		Functioned with only a director in 1994-1998 Had no experience in managing contracts	Eventually developed and functioned better in the follow on project

Source: Project documents and information obtained during the PPAR mission

Table A 2: Education Reform Project (Cr. 3343)

<i>Components/ subcomponents</i>	<i>Activities</i>	<i>Targets to be achieved</i>	<i>Outputs</i>	<i>Outcomes Info obtained during mission</i>
Policy Design, Management, Improvement of the Education System	Special initiatives	US\$2 million fund undecided to be disbursed for high-priority projects	Activity canceled	Funds used to refurbish more schools
	Establishment of policy capacity	Establishment of a Council at MOE and a technical and policy analysis unit	Council established and functioned; included representatives from academia and education unions Public expenditure survey conducted	Council pushed project implementation Technical policy unit has assumed leadership in the follow-on project Budgeting processes may have improved long-term, hiring processes may have become more transparent (ICR p. 7)
		Completion of an institutional reform plan that met specific criteria	National strategy 2004-2015 developed Decentralization agenda developed and piloted across the country Inspectorates reformed Education for All proposal submitted	Partly implemented Budgets at district level, but not at schools Education for All proposal rejected, mainly due to Albania's rising income.
		Completion of at least one instance of a program design meeting specific criteria	Implementation plan for the sector included financing needs assessment for districts	Compulsory education in 2008 was extended from 8 to 9 years, decision reached by project end
		Establishment of a PIU	PIU strengthened over the previous project	Aside from mismanagement issues, PIU was adequate at executing activities
Education Management Information System (EMIS)	EMIS to be used routinely by policymakers Hardware donated by the Italian government was to be extended	Project was to fund data collection and a query system for administrative and analytical software, was to link the Ministry with 2 pilot districts	General administrative software installed -Link did not become functional, data were not collected or analyzed - Key documents were developed only toward the end of the project	Ministry had not managed to sustain a single software application by project end Decision-makers unsure about how an EMIS should be used and why
			Statistical report card developed	Utility uncertain, report mainly for donors Stopped after 2-3 years of use
	Decentralization	Education decentralization policy paper	Completed Decentralization pilot in 2 districts	Starting 2004, decentralization to districts
			Ministry reorganized regional departments, transferred some functions to regional	Concerns about politically motivated appointments of directors

<i>Components/ subcomponents</i>	<i>Activities</i>	<i>Targets to be achieved</i>	<i>Outputs</i>	<i>Outcomes Info obtained during mission</i>
			education directorates	
Quality Assurance (Assessments and Examinations)	Improve examinations administered in grades 8 and 12 University	Define learning performance standards based on curriculum Conduct grade 4 examination in 3 subjects	Grade 4 exams were to be conducted in 2002, Grade 8 in 2003, 2004, matura examination; Entrance to secondary vocational schools National workshop held	ICR states that exams were conducted, but IEG was informed that Ministry did not give permission for student assessments until after project completion in 2004
		Monitoring and evaluation study	Study was reportedly conducted and was referred to in the ICR	IEG mission could not locate the study
School Rehabilitation	Development of building and design guidelines, specifications of bills of quantities for schools - furniture	Rehabilitation of about 43 schools 35,000 school places (among 5,500 schools) at about US\$200 per place	44 schools, 20,000 places rehabilitated and equipped Poor performance of supervising company	Problems with some civil works
		Building and design guidelines and specifications	Developed and used for the long term	MOES sends school designs to 13 districts and they implement
		Transparent, rational model to allocate rehabilitation financing among districts	Implementation plan for the sector included financing needs assessment for districts	There are guidelines for every committee that must be constituted, operational manual
		Use of private architects for building supervision	Private architects initially proved unsatisfactory	No stated benefits
		Community participation in school rehabilitation	Established boards of trustees in all schools	Outcomes unknown, although schools reported satisfaction to IEG mission with level of involvement
Textbooks	Privatize textbook printing and distribution	Register the STPH (state publishing house) and DE (distribution enterprise as joint stock companies)	STPH sold in 2004, and DE in August 2004	Benefits of sale unclear; procedures not transparent. Reportedly employees opened their own publishing businesses using Bank-financed equipment
		Procuring textbooks, using international competitive bidding to reduce the costs and increase the quality	97% of the 1st to 7th graders received new textbooks	33% reduction in average textbook prices, which dropped to US\$1.5 in 2002 and US\$1 in 2003; price reductions thereafter unclear
		Offering alternative textbooks for choice by teachers	4-7 titles became available per subject	Textbook procurement reportedly more efficient, better physical quality, but costs are possibly higher due to lower print runs An evaluation would be

<i>Components/ subcomponents</i>	<i>Activities</i>	<i>Targets to be achieved</i>	<i>Outputs</i>	<i>Outcomes Info obtained during mission</i>
				advisable
		Publishing textbooks for the new curricula in vocational technical education as a trial for privatizing publishing	Carried out	Outcomes unknown, but curricula and textbooks for many specialties were still necessary in 2008
		Free textbooks for the 80 poorest communities (added after effectiveness)	Activity was carried out	Choice was based on poverty map
	Curricular reform for basic education	Curriculum implementation plan	Curricula were delayed until October 2003	Textbooks based on new curricula
	Establish in-service teacher training	Conduct an unspecified number of training workshops, including textbook scheme use and computer literacy	Training in computers for 150 teachers not carried out before project end	Teacher training benefits unknown
				School conditions lowered dropout rate from 7.6% to 3.6% in nonrandom sample of 4 schools in Tirana. Pass rate increased from 53% to 59%

Source: Project documents and information obtained during the PPAR mission

Table A-3. Evidence Chain for Objective-wise Ratings

Project	Objective	Evidence for Efficacy Rating – Plausible Association	Outcomes	Efficacy
School Rehabilitation and Capacity Building Project (1994-2000)	Accelerate rehabilitation of damaged and dilapidated school facilities in Albania's 37 districts	A reduced number of schools was repaired, but changes were in part demographically justified	Schools became habitable, albeit with increased subsequent maintenance needs	Substantial
	Build capacity of the key sector institutions to stimulate efficient use of fiscal resources....	<ul style="list-style-type: none"> - School mapping enabled better use of repair funds - Equipped state enterprises were more likely to be sold - Assessment training would create a cadre of staff able to assess learning outcomes and give feedback for quality improvement 	<ul style="list-style-type: none"> - Repaired schools were largely in high-priority locations - Unknown whether equipment helped increase sale price beyond expenditure - There was staff turnover, limited training, lack of interest in sample-based assessment 	Modest
	..and [to] assure quality of learning outcomes	No capacity was developed towards improving outcomes	Activities were peripheral to learning outcomes	Modest
Education Reform Project (2000-2004)	Assist the Ministry of Education and Sciences in planning and delivery of educational services...	A national education strategy Decentralization policy and pilot School rehabilitation, reduced targets Textbook acquisition	<ul style="list-style-type: none"> -Strategy currently under implementation -Pilot helped gradual implementation -Schools became habitable for students -Dropout-repetition reduced in some areas 	Substantial
	...and strengthening its accountability of stakeholders for that delivery	Some specific activities were undertaken towards improved accountability (expenditure tracking, "report cards")	Only one assessment took place; unknown if results influenced decisions	Modest

Annex B. Additional Tables

Table B 1: Enrollment rates by gender across time

	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Gross National Income per capita (US\$)	680.	660.0	900.0	810.0	890.0	990.0	1,180.0	1,340.0	1,400.0	1,650.0	2,090.0	2,570.0
<i>Primary</i>												
Gross enrollment rate												
MF	100.2	107.2	109.6	110.1	110.1	110.1	109.1	108.0	106.2	104.2	105.7	105.7
M	100.1	106.4	108.9	110.9	110.9	110.9	109.5	107.6	107.4	104.9	106.2	106.2
F	100.3	108.1	110.4	109.2	109.2	109.2	108.7	108.4	104.9	103.6	105.2	105.2
Gender Gap	-0.2	-1.7	-1.5	1.7	1.7	1.7	0.8	-0.7	2.5	1.3	1.0	1.0
Net enrollment rate												
MF	95.1	98.7	98.7	99.4	99.4	99.4	99.8	98.5	96.8	95.6	94.0	94.0
M	94.5	97.5	97.5	100.0	100.0	100.0	100.0	98.3	98.1	96.1	94.0	94.0
F	95.7	100.0	100.0	98.7	98.7	98.7	99.5	98.7	95.5	95.1	94.0	94.0
Gender Gap	-1.2	-2.5	-2.5	1.3	1.3	1.3	0.5	-0.4	2.5	1.0	0.1	0.1
Primary completion rate												
MF	..	93.7	93.7	104.3	104.3	104.3	102.0	101.8	99.4	99.0	97.3	97.3
M	..	93.5	93.5	103.8	103.8	103.8	101.1	101.0	100.0	98.9	97.4	97.4
F	..	93.9	93.9	104.7	104.7	104.7	103.0	102.5	98.7	99.2	97.3	97.3
Gender Gap	..	-0.4	-0.4	-0.9	-0.9	-0.9	-1.9	-1.5	1.4	-0.2	0.1	0.1
<i>Secondary</i>												
Gross enrollment rate												
MF	78.3	37.5	38.2	73.9	73.9	73.9	72.8	74.7	75.4	77.8	78.0	78.0
M	84.0	37.3	37.9	75.9	75.9	75.9	74.2	75.9	78.6	79.0	79.4	79.4
F	72.2	37.8	38.6	71.8	71.8	71.8	71.5	73.6	72.1	76.5	76.6	76.6
Gender Gap	11.8	-0.5	-0.7	4.1	4.1	4.1	2.7	2.3	6.5	2.5	2.9	2.9
Net enrollment rate												
MF	..	..	..	69.7	69.7	69.7	68.7	70.5	71.0	73.9	74.1	74.1
M	..	..	..	71.6	71.6	71.6	70.0	71.6	74.1	74.6	75.0	75.0

	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Gross National Income per capita (US\$)	680	660.0	900.0	810.0	890.0	990.0	1,180.0	1,340.0	1,400.0	1,650.0	2,090.0	2,570.0
F	..	..	..	67.7	67.7	67.7	67.4	69.3	67.9	73.1	73.2	73.2
Gender Gap	..	..	..	3.9	3.9	3.9	2.6	2.3	6.2	1.5	1.8	1.8
Gender ratio (%)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.0
Teachers												
Gross enrolment rate												
MI	7.0	11.3	12.0	10.9	15.5	15.5	16.1	16.2	16.3	16.4	19.3	19.3
M	6.5	9.9	10.1	9.9	12.9	12.9	13.4	13.0	12.9	12.7	14.9	14.9
F	7.4	12.8	14.0	11.9	18.0	18.0	18.6	19.2	19.6	19.9	23.4	23.4
Gender Gap	-0.9	-2.9	-3.9	-2.0	-5.1	-5.1	-5.2	-6.2	-6.7	-7.2	-8.5	-8.5
Literacy Rate (% of population 15+)												
MI	..	..	..	..	..	98.7	98.7	98.7	98.7	98.7	..	..
M	..	..	..	..	..	99.2	99.2	99.2	99.2	99.2	..	..
F	..	..	..	..	..	98.3	98.3	98.3	98.3	98.3	..	..
Gender Gap	..	..	..	..	..	0.9	0.9	0.9	0.9	0.9	..	..

Table B 2: Examinations of Teachers applying for salary increases

Evaluation	2007 test of 2288 teachers		2007 test of 2144 teachers	
	No. teachers	%	No. teachers	%
Failed	64	3	34	1.5
Sufficient performance	534	25	431	18.8
Good performance	1188	55.4	1441	63
Very good performance	358	16.6	382	16.7

Note: First category (20+ years of service) gets 20% salary increase upon passing exam; Second category (10-19 years of service) gets 10%; third category (5-9 years of service) gets 5%. Source: MOES. Assessment Department. 2008. Kualifikimi 2008: 98.5% e mësuesve marrin ngritjen në pagë (informal report)

Table B 3: Distribution of Education Budgets by Level of Education 2002 – 2005 (in %)

	2002	2003	2004	2005*	Δ 2002-05
Planning, Management, Administration	5.5	5.6	4.0	2.9	-2.6
Basic Education, incl. pre-school education	61.9	58.0	60.6	58.3	-3.6
General Secondary Education	10.2	11.1	13.0	12.1	+1.9
Vocational Secondary Education	4.9	8.4	5.1	7.3	+2.4
Tertiary Education	17.0	16.5	16.8	18.6	+1.6
Scientific Research	0.5	0.5	0.2	0.3	-0.2
Institutes for teaching, assessment, and curriculum	0.0	0.0	0.2	0.5	+0.5
Total	100	100	100	100	

Source: MoES, June 2005.

* Planned figure

Table B 4: Projected Population of School-age cohorts

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
6-13	459	451	443	435	428	422	418	415	413	413	413
14-17	249	245	242	239	235	230	226	222	218	214	211
18-21	240	244	246	247	245	242	240	236	233	228	224

Source: World Bank demographic unit, based on UN Population Division figures.

Annex C. Basic Data Sheet

SCHOOL REHABILITATION AND CAPACITY BUILDING PROJECT (CR. 2633-ALB)

Key Project Data (amounts in US\$ million)

	<i>Appraisal estimate</i>	<i>Actual or current estimate</i>	<i>Actual as % of appraisal estimate</i>
Total project costs	11.3	11.19	.99
Credit amount	9.6	9.49	.99
Cancellation		0.4*	

*Cancellation notification sent on October 3, 2008 with May 26, 2000 as value date.

Cumulative Estimated and Actual Disbursements

	<i>FY95</i>	<i>FY96</i>	<i>FY97</i>	<i>FY98</i>	<i>FY99</i>	<i>FY00</i>
Appraisal estimate (US\$M)	0.3	2.8	5.7	8.2	9.6	
Actual (US\$M)	1.2	4.1	6.2	7.2	8.9	9.4
Actual as % of appraisal	25%	69%	92%	114%	108%	
Date of final disbursement: May 20, 2000						

Project Dates

	<i>Original</i>	<i>Actual</i>
Concept Review	05/13/1993	05/13/1993
Negotiations	05/02/1994	05/02/1994
Board approval	06/23/1994	06/23/1994
Signing	07/08/1994	07/08/1994
Effectiveness	10/06/1994	10/06/1994
Closing date	03/31/1999	03/31/2000

Staff Inputs (staff weeks)

	<i>FY94</i>	<i>FY94-00</i>	<i>FY01</i>	<i>Total</i>
Identification/Preparation	46.1			
Appraisal/Negotiation	21.4			
Negotiations				
Supervision		126.8		
ICR			6.0	
Total	67.5	126.8	6.0	200.3

Mission Data

	<i>Date (month/year)</i>	<i>No. of persons</i>	<i>Specializations represented</i>	<i>Performance rating</i>	<i>Rating trend</i>
Identification/ Preparation	May 1993 – January 1994	6	Task Manager (1); Education Specialists (2); Operations Officer (1); Procurement Specialist (1); Project Officer (1)	S	S
Appraisal	February 1994 – May 1994	5	Task Manager (1); Education Specialist (1);	S	S
Supervision	October 1994 – March 2000	12	Task Managers/Team Leaders (2); Program Team Leader (1); Operations Officer (1); Project Officers (2); Procurement Specialists (2); Education Specialists (3); Architect (1)	S*	S*
Completion	July 2000	3	Sr. Operations Officer (1); Education Specialist (1); Consultant (1)	S	S

* It is unknown whether all supervision missions of this period had a satisfactory rating

EDUCATION REFORM PROJECT (CREDIT 3343-ALB)

Key Project Data (amounts in US\$ million)

	<i>Appraisal estimate</i>	<i>Actual or current estimate</i>	<i>Actual as % of appraisal estimate</i>
Total project costs	14.88	15.41	1.03
Credit amount	12	12.38	1.03
Cancellation		1.3*	

Undisbursed balance at project closing. Higher amount between total disbursed and total committed is due to the fluctuation between the US\$ and SDR exchange rate. Cancellation notice sent on January 11, 2006 with cancellation value as March 9, 2005.

Cumulative Estimated and Actual Disbursements

	<i>FY01</i>	<i>FY02</i>	<i>FY03</i>	<i>FY04</i>	<i>FY05</i>
Appraisal estimate (US\$M)	1.8	5.5	10.1	12.0	
Actual (US\$M)	0.8	1.1	2.2	9.5	11.5
Actual as % of appraisal	44%	20%	22%	79%	

Date of final disbursement: March 3, 2003

Project Dates

	<i>Original</i>	<i>Actual</i>
Concept Review	11/08/1999	11/08/1999
Negotiations	03/14/2000	03/14/2000
Board approval	05/11/2000	05/11/2000
Signing	06/09/2000	06/08/2000
Effectiveness	07/19/2000	07/19/2000
Closing date	07/31/2004	10/31/2004

Staff Inputs (staff weeks)

	<i>FY00</i>	<i>FY01-05</i>	<i>Total</i>
Identification/Preparation	NA		
Appraisal/Negotiations	53.74		
Supervision		136.16	
ICR			17.86
Total	53.74	136.16	17.86

Mission Data

	Date (month/year)	No. of persons	Specializations represented	Perform ance rating	Rating trend
Identification/ Preparation	11/08/1999	n/a	PTL (1); Operations Specialist (1); Construction & Project Implementation Specialist (1); Public Administration Specialist (1); Learning, Assessment & Examination Specialist (1); Project Officer (1) PAS (1); FMS (1); Team Assistant (1)	n/a	n/a
Appraisal/Negotiations	02/18/2000		TTL (1); Operations Officer (1); Project Officer (1); PAS (1); FMS (1); Architect (1); Information Specialist (1)		
Supervision	10/02/2000	9	TTL (1); Sr. Operations Officer (1); Project Officer (1); Sr. PSM Specialist (1); Consultants (3); FMS (1); PAS (1)	S	S
	05/09/2001	1	TTL (1)	S	S
	10/08/2001	8	TTL & Education Specialist (1); TTL & Education Economist (1); Sr. Operation Specialist (1); Lead Public Sec Man Sp (1); PAS (1); Construct & Implementation Spc (1); Assessment Specialist (1); Project Officer (1)	S	S
	02/11/2002	4	Team Leader (1); Operations Officer (1); Procurement Officer (1); Sector Manager (1)	S	S
	05/17/2002	4	Team Leader (1); Sr. Operations Officer (1); Sr. Procurement Specialist (1); Operations Officer (1)	S	S
	05/17/2003	5	Team Leader (1); Sr. Operations Officer (1); Sr. Procurement Specialist (1); Operations Officer (1); Sr. FMS (1)	U	S
	07/19/2003	4	Team Leader (1); Sr. Operations Officer (1); Sr. Procurement Specialist (1); Operations Officer (1)	S	S
	05/04/2004	4	Team Leader (1); Procurement/MIS Spec (1); Implementation & Assessment Consultant (1); Operations Officer (1); JPA (1)	U	S
Completion	02/07/2005	2	TTL (1); Operations Officer (1)		