JANUARY 15, 2021

SECRETARIAT CHIEF EXECUTIVE OFFICER

ALLOCATION FOR A MULTIPLIER GRANT TO THE KYRGYZ REPUBLIC

Reference	Decision
CEO/2021/01-02	**Allocation for a Multiplier Grant to the Kyrgyz Republic** The CEO, in her delegated authority from the Board of Directors: 1. Notes compliance with the requirements for accessing the fixed part of the maximum country allocation from the GPE Multiplier (MCAM), as described in the application and summarized and assessed in the Secretariat quality assurance review phase III report. 2. Notes compliance with the requirements of co-financing, additionality, and debt sustainability for accessing the MCAM, as described in the application and assessed in the quality assurance review phase III report. 3. Approves an allocation from GPE trust funds for a multiplier grant, as described in the application submitted and summarized in Table 1, subject to: a. Availability of funds. b. Board decision BOD/2012/11-04 on commitment of trust funds for ESPIGs in annual installments.

	c. Review Meeting's recommendation for funding, including (all amounts in US$): US$ 5 million. 4. Requests the Secretariat to: a. Include in its notification of grant approval to Kyrgyz Republic the requests for report-backs and observations, as recommended by the Review Meeting and set out in Table 2. b. Include an update on the issues listed as "observations" and "report backs" in the Grant Performance Report in accordance with the specified timeline.

Table 1: Application Summary and Allocation Recommendations (in US $):

Country: Kyrgyz Republic		
a.	Maximum country allocation from the GPE Multiplier	5,000,000
b.	Allocation Requested (100%)	5,000,000
c.	Fixed Part	5,000,000
d.	**Allocation Recommended**	**5,000,000**
e.	Grant Agent	World Bank
f.	Agency Fee % - Amount	87,500
g.	Grant Agent's Implementation Support Costs	200,000[1]
h.	Period	4 years
i.	Expected Start Date	April 30, 2021
j.	Funding Source	GPE Fund
k.	Co-financing institution(s) -Amount	20 million World Bank (IDA credit)

Table 2 – Review Meeting Observations, Report-Backs, And Conditions

Country: Kyrgyz Republic	
Observations	The Secretariat welcomes the first Multiplier ESPIG application from the Kyrgyz Republic and appreciates the Government of Kyrgyz Republic's leadership and close cooperation with the education partners in developing the program. The Secretariat encourages the Government of Kyrgyz Republic and the Development Partners Coordination Council (DPCC) members to further

[1] This amount is to be funded from the grant and is not in addition to the grant amount

	strengthen a government-led and inclusive education sector dialogue and conduct regular sector reviews to monitor the implementation of the country's education strategies. Further, noting that the availability of qualified teachers will be a major challenge in improving the quality of learning, the Secretariat recommends that the Kyrgyz Republic consider developing a comprehensive strategy related to teachers and teaching practices. The Secretariat notes the impact of the COVID-19 pandemic on education systems. The Secretariat invites the government and the Grant Agent, in consultation with the LEG, to consider adapting the proposed program to emerging issues as needed, notably the impact of school closures on learning. Other adaptations to consider are mitigation measures for potential delays or other constraints that the pandemic may have on program implementation, including modifying indicator targets if necessary.
Report Back	The Secretariat notes that the final approval of the Education Development Strategy 2040 is pending and requests that government approval is completed within six months of the approval of the GPE grant. The Secretariat requests the MoES through the Coordinating Agency submit the confirmation report that the EDS 2040 is approved by the government latest by June 30, 2021.
Condition	**none**

Annex A - Secretariat quality assurance review phase III report

ANNEX A
QUALITY ASSURANCE REVIEW – PHASE 3 (SECRETARIAT DELEGATED AUTHORITY)

KYRGYZ REPUBLIC

MULTIPLIER ESPIG

Proposed GPE Grant Amount: US$5 million
Fixed Part: US$5 million, of which US$ 200,000 for Grant Agent's Implementation Support Costs.
Variable Part: Not Applicable
Implementation period: 4 years
Projected implementation start date: April 30, 2021
Grant Agent: World Bank

1 BACKGROUND AND EDUCATION SECTOR OVERVIEW

1.1 COUNTRY BACKGROUND

The Kyrgyz Republic is a landlocked country of approximately 6.5 million people located in the heart of the Silk Road in Central Asia. The country is divided into seven regions (called "oblast"). The population of the Kyrgyz Republic is young: more than a third are children and adolescents, and the annual population growth rate is 1.9 percent. More than 70 percent of the population lives in rural areas, which are often isolated with poor communication and roads. The overall literacy rate in the country stands at 99 percent. The Kyrgyz Republic is ranked 122 on the Human Development Index (2019) and is classified as a lower-middle income country.

The majority of the population is ethnically Kyrgyz (73 percent), followed by a significant Uzbek minority (14 percent). The remaining 13 percent includes people of Russian, Tajik, Turkman and Uyghur descent, among others.

The GDP per capita of Kyrgyz Republic was US$1,309 in 2019. The Kyrgyz economy mainly consists of minerals extraction, agriculture, and remittances. Remittances from Kyrgyz migrant workers, predominantly in Russia and Kazakhstan, are equivalent to more than one-quarter of Kyrgyz Republic's GDP. Cotton, wool, and meat are the primary agricultural products, although cotton is the only product exported in large quantities. Other exports include gold, mercury, uranium, and natural gas. The country has rich, largely unexploited, natural endowments in the form of minerals and large potential to expand agriculture, hydroelectricity and tourism. The

Kyrgyz government remains dependent on foreign donor support to finance its annual budget deficit of approximately 3 to 5 percent of GDP.

Approximately one-quarter of the population of the Kyrgyz Republic lives below the poverty line.[1] There is significant variation in poverty levels across regions with high poverty rates in remote rural regions. According to the Asian Development Bank (ADB), women in the Kyrgyz Republic are disproportionately affected by poverty and have suffered from a reduction in employment opportunities, coupled with a widening gender wage gap.[2]

Kyrgyz Republic has reported more than 70,000 confirmed cases of novel coronavirus (COVID-19), with more than 1,200 deaths. Data on the spread of the virus is limited due to the lack of testing facilities. In their Asian Development Outlook from September 2020, ADB forecasts that due to COVID-19, Kyrgyz' GDP will decrease by 10 percent in 2020, with a limited increase in 2021. According to the World Bank's statistics, the overall budget shortfall is expected to be around US$500 million.

	Kyrgyz Republic
Population	6.5 million (2019, World Bank[3])
Human Development Index Ranking	122 out of 189 countries (UNDP, 2019[4])
Learning-adjusted Years of School	Boys: 8.5, Girls: 8.8 [5]
GDP	US$8.5 billion (2019, World Bank[6])
GDP per capita	US$ 1,309 (2019, World Bank[7])
World Bank Income Classification Level	Lower Middle Income (2019, World Bank)

[1] World Bank. (2019). Poverty headcount ratio at national poverty lines (% of population) - Kyrgyz Republic. Retrieved from https://data.worldbank.org/indicator/SI.POV.NAHC?locations=KG
[2] Asian Development Bank. (2019, December). *KYRGYZ REPUBLIC: COUNTRY GENDER ASSESSMENT*. Retrieved from https://www.adb.org/sites/default/files/institutional-document/546966/kyrgyz-republic-country-gender-assessment-2019.pdf
[3] World Bank. (2019). *Kyrgyz Republic*. Retrieved from https://data.worldbank.org/country/KG
[4] United Nations Development Program. (n.d.). *Human Development Report 2019*. Retrieved from http://hdr.undp.org/en/content/2019-human-development-index-ranking
[5] World Bank. (2020). *Human Capital Index: Kyrgyz Republic*. Retrieved from https://databank.worldbank.org/data/download/hci/HCI_2pager_KGZ.pdf?cid=GGH_e_hcpexternal_en_ext
[6] World Bank. (2019). *Kyrgyz Republic*. Retrieved from https://data.worldbank.org/country/KG
[7] Ibid.

1.2 EDUCATION SECTOR OVERVIEW

The education system in Kyrgyz Republic consists of preschool institutions, primary schools, secondary schools, vocational schools, specialized technical schools and universities. While preschool and upper secondary school are non-compulsory, nine years of primary and lower secondary education are compulsory. The Law on Education stipulates that compulsory education consists of general primary (grades 1 to 4) and general lower secondary (grades 5 to 9). The government is currently working to expand compulsory education from the current nine years to eleven years. Kyrgyz (national language) is the main language of instruction, followed by Russian (official language) and Uzbek.

The education sector is managed by the Ministry of Education and Sciences (MoES), which is responsible for national policies, planning, monitoring, standards and curriculum. The MoES team works closely with local governments responsible for the delivery and direct supervision of primary and secondary education in their respective oblast. In recent years, there has been an increase in the number of private schools and colleges, which are largely concentrated in urban centers.

In July 2020, the Ministry of Education and Science (MoES) approved the Education Development Strategy 2021-2040 (EDS 2040) to address key challenges in the education sector. The strategy was developed with the support of GPE's Education Sector Plan Development Grant (ESPDG) and was independently appraised and endorsed by development partners in Kyrgyz Republic. The final approval of the strategy by the Office of the Prime Minister, which includes a commitment to finance the strategy and a corresponding action plan, is delayed due to recent changes in the government and the ongoing COVID-19 pandemic. The strategy identified three focus areas: ensuring fair and equal access; quality assurance; and efficient management and financing. MoES will implement the strategy through successive three-year action plans.

In terms of the Covid-19 education response, MoES with the support of GPE and UNICEF developed the COVID-19 education response plan (Anti-Crisis Plan) focusing on distance learning through television broadcast, an online education portal, mobile applications for communication between teachers and students, and building teacher capacity for online teaching. Schools are gradually reopening in different parts of the country.

1.2.1. Equity:

Kyrgyz Republic has made great progress in achieving universal access to primary and lower-secondary education. According to the UNESCO's Institute for Statistics (UIS), the gross enrolment ratio (GER) for the primary level in 2017 was 106.1 percent (105.4 for girls and 106.7 for boys). Similarly, the primary net enrolment rate (NER) was 89.6 percent in 2019.[8] Despite achieving universal primary and lower-secondary education, disparities still exist at the upper-

[8] UNESCO Institute for Statistics. (2019). Retrieved from http://uis.unesco.org/en/country/kg

secondary and tertiary levels. Enrollment and completion of upper secondary education remain low, especially among boys. As per the recent Education Sector Analysis (ESA)[9], there are gender gaps in upper secondary enrollment that favor girls, with 60 percent of girls and 50 percent of boys enrolled in 2016-2017. Additionally, boys drop out of upper secondary school at a rate of twice that of girls. ADB[10] reports that the gender imbalance in upper-secondary education, especially in rural areas, is most likely linked to the opportunity cost of education, whereby families withdraw their male children to help with household income. Further, families tend to send their male children to work as migrant workers in Russia and Kazakhstan. MoES intends to address low enrollment in upper secondary through the extension of compulsory education from nine years to eleven years.

Since the early 2000s, Kyrgyz Republic has made significant progress in improving access to pre-primary education. According to national statistical data for 2018, about 71.7 percent of children under five years of age are developmentally on track in health, learning and psychosocial well-being. However, access to pre-primary is still limited. Currently, only 39 percent of children (with no gender disparities) have access to pre-primary education, with a large concentration in urban areas.[11] As per the World Bank's analysis, there are significant inequalities in access to preschool services by household income level. The state full-day kindergartens usually serve better-off families with approximately 57 percent of children enrolled from the wealthiest 20 percent. In comparison, only 25 percent of the poorest 20 percent of the population attend preschool. MoES has identified expansion of preschool education as one of its key priorities in the EDS 2040.

The country provides preschool services through two government-funded services – traditional nurseries (for children aged six months to three years) and kindergartens (for three- to seven-year-olds). In 2012, through GPE's ESPIG funding, the government gradually expanded preschool services through the introduction of Community Based Kindergartens (CBK) and a 480-hour school-readiness program known as "Nariste." CBKs provide a cost-effective option to the Government and development partners for expanding developmental enrichment to children aged three to seven years. The Nariste program is a universal school-readiness program for children who otherwise would not attend any early childhood development programs before entering primary school.

The education system is still struggling to provide inclusive education for children with special needs. According to the Ministry of Labor and Social Development, there were approximately 28,000 children with disabilities aged 0-18 years living in the country in 2016.[12] About 10,925

[9] Ministry of Education and Science. (2019). *Kyrgyz Republic: Education Sector Analysis 2007-2017.* Bishkek.
[10] Asian Development Bank. (2019, December). *KYRGYZ REPUBLIC: COUNTRY GENDER ASSESSMENT*. Retrieved from https://www.adb.org/sites/default/files/institutional-document/546966/kyrgyz-republic-country-gender-assessment-2019.pdf
[11] National Statistical Committee of the Kyrgyz Republic and UNICEF. 2019. Kyrgyzstan Multiple Indicator Cluster Survey 2018, Survey Findings Report. Bishkek, Kyrgyzstan: National Statistical Committee of the Kyrgyz Republic and UNICEF.
[12] The World Bank Group. (2020). Enhancing the Foundation for Learning Project

children with disabilities were enrolled in preschool and school education, which makes up 40 percent of the total population of children with disabilities. The ESA reports that key challenges in promoting inclusive education include: lack of an enabling physical and psychological learning environment, lack of adapted teaching and learning materials and lack of regular school monitoring and management.

1.2.2. Learning outcomes:

The education system still faces challenges in learning outcomes. While recent assessments have shown improvement in student learning[13], there are significant gaps in learning achievement. According to the 2018 Early Grade Reading Assessment (EGRA) report,[14] 52 percent of Grade 2 students did not meet national standards in Kyrgyz reading comprehension and 27.7 percent of Grade 4 students did not meet national standards for Kyrgyz oral reading fluency. In the Russian language, the situation is somewhat similar, with 65.9 percent of Grade 2 students not reaching national standards in reading comprehension and 34.7 percent of Grade 4 students not meeting national standards in oral reading fluency. The EGRA results show that: 1) girls outperform boys across both languages and grades; 2) urban schools perform better than rural schools; and 3) there are regional variations in achievements with Chui, Issyk-Kul, Naryn, and Talas oblasts achieving higher scores in comparison to Jalal-Abad, Batken, and Osh. The country-led NSBA has also revealed low learning levels. NSBA 2017 reported that around 60 percent of Grade 4 students performed below the basic level in reading comprehension and mathematics.

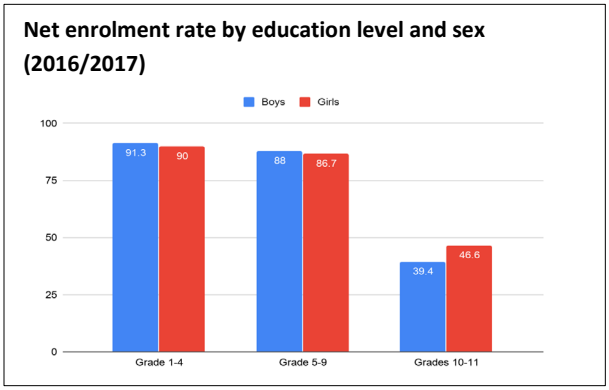
Kyrgyz Republic intends to establish a holistic system for assessing learning outcomes. The EDS 2040 mentions that MoES will establish the National School Education Quality Assurance System (NSEQAS) by 2023 to align all assessment tools with the requirements of the new learning standards for assessing competencies. NSEQAS will conduct regular national assessments and will strengthen formative and other types of assessments at the student, class and school level. Furthermore, Kyrgyz Republic also intends to participate in PISA in 2024.

Through the support of the development partners (in particular, World Bank, Asian Development Bank and USAID), the country has recently launched the competency-based standards for all classrooms to improve teaching and learning. MoES and development partners are working toward aligning textbooks with the new curriculum standards. Historically, non-availability and poor quality of textbooks contributed to low learning in classrooms, along with an insufficient focus on teacher professional development.

[13] Ministry of Education and Science. (2019). *Kyrgyz Republic: Education Sector Analysis 2007-2017.* Bishkek.
[14] School-to-School International and Chemonics International. (2018). *QUALITY READING PROGRAM-TIME TO READ Early Grade Reading Assessment Midline Report.*

1.2.3. Efficiency:

Kyrgyz Republic has extremely low dropout and repetition rates at the primary and lower-secondary levels. However, in the transition from lower-secondary to upper-secondary, the education system loses almost 40 percent of students. As illustrated in the graph, in 2016/2017, boys' enrollment rate dropped from 88.0 percent in Grades 5-9 to 39.4 percent in Grades 10-11. Similarly, enrollment of girls dropped from 86.7 percent to 46.4 percent for the same grades.



Teacher salaries are not commensurate with other professional careers, making teaching a less desired career path for youth. In 2019, the government increased teachers' salaries. However, there remain gaps between the salaries of teachers and those of other professions. The country faces major challenges in teacher recruitment, professional development, and teachers' preparation for the education system. The aging of the teacher workforce is another element that has started impacting the education system as most Soviet-era teachers approach retirement age. Therefore, it is critical for MoES to develop and launch wholescale teacher reforms, including compensation policies, to ensure young college graduates are attracted to teaching as a career.

Further, the use of data for decision-making, accountability and planning at decentralized levels is not a strong feature of the current education system. Data use is hampered by the quality of the existing education management and information system (EMIS), inadequate data dissemination, and a lack of emphasis on evidence-based planning. The MoES has made efforts over the last decade to improve data collection and dissemination. Yet, challenges persist with school connectivity and information technology (IT) capacity at the MoES and school level. The new EMIS was approved by the MoES and is now being rolled out.

1.2.4. Monitoring of Sector Performance:

There is no formal government-led Local Education Group (LEG). The education sector is largely coordinated through the Development Partners Coordination Council (DPCC), which is a development partner group. The DPCC education working group includes: Asian Development Bank (ADB), Aga Khan Development Network (AKDN), European Union (EU), German International Cooperation (GIZ), International Labor Organization (ILO), United Nations Education Scientific Cultural Organization (UNESCO), United States Agency for International Development (USAID), World Bank, Soros Foundation and United Nations Children's Fund (UNICEF). UNICEF currently serves as the DPCC lead and Coordinating Agency. MoES is not a formal member of the DPCC, however, representatives from MoES regularly participate in DPCC meetings. There is no formal participation of the teachers' association or the local civil society

organizations (CSOs) in the DPCC. Currently, there is no CSO coalition in the country focused on education. However, efforts are being made by a few of the CSOs to establish a coordination body of local CSOs to focus on education issues. No regular Joint Sector Reviews (JSRs) occur in the country to monitor the implementation of the sector strategy.

2. ESPIG DESCRIPTION

2.1 PAST ESPIG PERFORMANCE

Kyrgyz Republic has been a GPE member since 2006 and has so far received US$27.6 million in three GPE grants to support the implementation of its education sector plans. DPs have commented that GPE funding had a catalytic effect on the mobilization of support and the improvement in the use of national resources and donor funding. The details of these past grants are as follows:

GPE grants for Kyrgyz Republic

Duration	Grant Agent	Grant Amount	Start Date	End Date
2007-2010	World Bank	US$9.0 million	05/22/2007	05/31/2010
2011-2012	World Bank	US$6.0 million	03/23/2011	12/31/2012
2014-2018	World Bank	US$12.7 million	05/10/2014	06/30/2018

The first two grants under the Fast Track Initiative (FTI) with the World Bank as Grant Agent supported the Kyrgyz Republic in improving the physical learning environment; increased awareness among local communities and stakeholders on the importance of early childhood development; and supported teacher reform and the procurement of learning material. The Grant Agent rated the first two grants as "Satisfactory."

Building on the results from the previous two grants, in 2013, GPE approved a US$12.7 million ESPIG with the World Bank as Grant Agent to support the implementation of Kyrgyz Republic's Education Development Strategy (2012-2020) and the Medium-Term Education Development Plan 2012-2014 (MTEDP 2012-2014). In December 2016, GPE Secretariat approved one-year extension of the implementation period from June 30, 2017 to June 30, 2018. The grant financed the project known as "Kyrgyz Early Education Project (KEEP)," which primarily aimed to expand access to quality preschool education. The project had three key components. Component 1 aimed to enable all children to benefit from a full-year school preparation program, increase access to preschool education for children aged 4-5 years in underserved, marginalized communities and support a pilot initiative to integrate children aged 4-6 years with special education needs into mainstream ECE services. Component 2 aimed to improve policy, programs, and system effectiveness. Component 3 financed communications and incremental operating costs generated by the project.

The Implementation Completion Report (ICR), produced by the Grant Agent, concluded that the project achieved its objectives satisfactorily and exceeded its defined outcome targets for

most key indicators with a one-year extension. The overall outcome rating of the project was "Highly Satisfactory." The ICR commented that the project achieved its Project Development Objective (PDO) with all indicators exceeding or meeting the targets. It also demonstrated achievements beyond the PDO with evidence of improved learning outcomes in children.

2.2 ESPIG DESCRIPTION

The requested grant amount of US$5 million is within the framework of the approved Multiplier ESPIG Expression of Interest (EOI) approved by the GPE Board in December 2017. The World Bank was selected as the Grant Agent by MoES in consultation with DPCC. This is Kyrgyz Republic's first application for a Multiplier ESPIG and fourth overall grant application with the GPE.

Initially, the request for GPE funding was expected to be part of the most recent International Development Association (IDA)-financed World Bank project. However, in 2019, MoES and the Grant Agent, in consultation with DPCC members, agreed to split GPE financing and IDA co-financing into two separate interlinked programs as the country's ESP development was delayed to fulfill requirement for the GPE funding and in-view of the tight timeframe for the IDA financing. The IDA financed US$ 50 million, "Learning for the Future" project was approved by the World Bank's Board of Executive Directors on March 31, 2020 and was ratified by the Parliament of the Kyrgyz Republic on June 11, 2020.

The PDO of the proposed four-year GPE funded "Enhancing the Foundation for Learning" project is "to increase equitable access to quality preschool education." Building on the success of the previous GPE financed project and complementing the IDA's recently approved Learning for the Future Project (integration of support for teacher training, tracking and evaluating child growth and development and preschool financing reforms), the project seeks to contribute to human capital development through an enhanced foundation of learning by increasing access to preschool education for the children from the most vulnerable households and improving their school readiness. The project will support the establishment of 60 new Community-based Kindergartens (CbK), enrolling approximately 5,000 children aged 3-5 years. Under the project, each CbK will receive furniture, equipment and learning materials. The project will also support the professional development of approximately 120 newly hired teachers at the CbKs. The project aims to support learning in the Kyrgyz Republic by: (i) increasing the number of children aged 3-5 years enrolled in an early education program in targeted communities, disaggregated by gender, (ii) improving the development of children across four domains: physical health and well-being; social competence; emotional maturity; and language and communication skills, disaggregated by gender, and (iii) Improving policy & finance for the system effectiveness.

The project has three main components:

Component 1 will expand preschool coverage for under-served children by increasing equitable access to quality ECE in poor rural areas where there is little or no access. The project

will establish CbKs and enhance the effectiveness of teaching-learning practices in preschool through professional development. The project will support the establishment of 60 new CbKs enrolling approximately 5,000 children aged 3-5 years, targeting areas where access to ECE services is below the national rural average. For each CbK, the project will provide furniture, equipment and other teaching and learning materials. CbKs will engage parents and other families in the community to promote storybook reading, building on the success of Aga-Khan Foundation and UNICEF programs. The project also will finance teacher training programs designed to strengthen teacher capacities in preschool education and support the professional development of approximately 120 newly hired teachers at the CbKs established under the project. The enhanced capacity will allow for increased effectiveness in teaching practices.

Component 2 will aim to improve policy and system effectiveness by financing technical assistance in a range of preschool education areas, including curriculum revision, development of preschool teacher competencies, dissemination of best practices to improve efficiency of physical space, revision of the legal framework on per-capita financing of preschools, and enhancing M&E systems.

Component 3 aims to ensure all stakeholders are engaged in project implementation and monitoring. Stakeholders will help implement activities across the project, including providing information on the importance of children's early development to parents and community monitoring through community scorecards.

Table A: ESPIG Components and Costs

		GPE Financing US$	% of total
	Total MCA	5,000,000	100
Fixed Part			
Program Component			
A	Expanding early education services for under-served children	**3,709,920**	**74.2**
	1. Expanded early education services	2,706,000	54.1
	2. Increased effectiveness in teaching practice	1,003,920	20.1
B	Improving policy and finance for the system effectiveness	**340,600**	**6.8**
C	Ensuring citizen engagement and implementation support	**749,480**	**14.9**
	1. Stakeholders' engagement	105,000	2.1
	2. Evaluation	80,000	1.6

3. Implementation support	564,480	11.3
Grant Agent's Implementation Support Costs*	***200,000***	**4**
Sub-total of Components	**4,800,000**	**96**
GRAND TOTAL (with Grant Agent's Implementation Support Costs)	***5,000,000***	**100**
Agency Fees**	87,500	

* Include Grant Agent's direct costs, such as Program Management, Administrative and other direct implementation costs.

** Agency Fee is not included in the MCA and is calculated as percentage rate (agreed with each GA) from the Total Fixed Part and Total Variable Part.