I. Project Context

Country Context

1. Mongolia is the least densely populated country in the world. It is the second largest landlocked country in the world and has a large nomadic population. The number of urban inhabitants has grown rapidly in recent years; almost half the population now lives in the capital city, Ulaanbaatar (UB). This has resulted in an education system that is characterized by a large number of medium- or small-sized schools that are geographically isolated. Unit costs increase significantly as the distance from UB increases.

2. Mongolia is divided administratively into UB and 21 aimags (provinces). UB is divided into districts and khorooos (city wards). The aimags are divided into districts known as soums, and soums are divided into baghs (villages). The rural areas continue to be largely agricultural, though the recent development of extensive mineral deposits has increased industrial production in these areas. The incidence of poverty remains high. Urban poverty is also growing, and both rural and urban areas have significant service delivery challenges, although these are very different in nature.

3. While the first decade following Mongolia’s transition in 1990 to a market-based economy saw sluggish growth, the past decade has seen a dramatic turnaround, driven largely by the
burgeoning mineral sector. Mongolia’s Gross Domestic Product has grown at an annual rate of eight percent for ten years, and is projected to experience double digit growth for the next several years. However, this period of growth has also been characterized by a rise in perceptions of income inequality and persistent labor market stagnation.

4. Mongolia has a young population; about 60% are under thirty years of age. While fertility rates have fallen sharply—more so than in any other country in the world—resulting in a declining number of school age children over the past decade, this trend is reversing, and the number of school-aged children is expected to grow over the next decade. Mongolian is spoken by 95% of the population; a variety of dialects are spoken across the country. In the west of the country, Kazakh and Tuvan are also spoken.

**Sectoral and institutional Context**

5. The education system in Mongolia has been experiencing a period of reform over the past decade. The entrance age into primary school was lowered during this period from eight years of age to six. The length of the basic education cycle was increased from ten to twelve years. The education system now consists of five years of primary school, four years of lower secondary school, and three years of upper secondary school. Upper secondary school is free but not compulsory. Many schools also offer pre-school programs of two or three years in length. The first cohort of students to have completed the full twelve-year cycle will graduate in 2020.

6. Mongolia has done well in extending access to pre-primary and basic education since its transition. Basic education enrollment has recovered with the economy. The 1990s saw a drastic decline in school enrollment ratios; the 2000s witnessed its recovery to the pre-transition level in pre-primary through lower secondary education; the current decade will likely see an extension of access in pre-primary and post-primary education. The national net enrollment rates of 90% and 82% for primary and secondary education, respectively, compare favorably with middle income countries around the world.

7. The issue of gender in Mongolian education is in many ways the reverse of what is seen in most countries at a similar stage of economic development. Both genders show roughly 100% completion rates for primary education, but girls achieve slightly more secondary schooling and much more tertiary education than boys. Momentum over the past decade has swung in favor of boys. Boys’ primary school enrollment rates are now slightly ahead of girls, and the difference in secondary enrollment rates has declined from over 10% to 1% in less than a decade. Girls still represent 60% of tertiary enrollments, although here too the differences are declining rapidly. Recent achievement tests show little difference in learning outcomes for boys and girls, although for both genders, learning levels are worrisomely low. The area of clearest gender bias in the education sector is that of employment: men represent only 4% of the primary school teaching force but 45% of school-level management (school directors and teaching managers).

8. Having successfully extended access to basic education, the Government has now placed a much sharper focus on improving the quality of primary and secondary education. With nearly 30 percent of the population under the age of 14 and 12 percent under the age of 5 , and in light of the rapid changes and emerging issues the country is facing -- managing its mineral wealth, transitioning to middle-income status, handling increasing rural to urban migration, and responding to the structural changes in its labor market -- MES has stated its intention that Mongolia’s
education system be a provider of high quality skills and a key driver of growth. As such, Mongolia's education system will need to deliver not just a greater quantity of skills (the share of the population with a certain level of education and training), but also greater quality skills (better cognitive, non-cognitive, and technical skills that will help its citizens deal with complex and unexpected tasks and to continue to learn throughout their lives). This imperative implies a sharpened focus on increasing the quality of education, starting from the earliest ages.

### Key Issues Facing the Education Sector

9. Several challenges must be addressed if the Government is to deliver on its promise of higher quality education. A brief summary is given below:

- The lack of learning materials in urban areas has inhibited the student experience.
- Available information on student learning outcomes shows alarmingly low performance, and disparities exist between Ulaanbaatar, aimag centers and soums.
- The lack of a systematic and institutionalized comparable assessment of student performance, starting from the earliest years is a large obstacle in improving the quality of basic education.
- The quality of teaching in primary and secondary schools in Mongolia is an area of prime concern.
- Preliminary findings from a Bank-commissioned study on how teachers are groomed, retained, and maintained reveals a teacher training system that is not very dynamic, and does not appear to be reaching a high level of quality in terms of preparing teachers for future service.
- Finally, instructional time in Mongolian schools is relatively low.

10. To address these issues, MES has recently introduced a rigorous reform agenda to improve the quality of basic education. This agenda – “The Educational Quality Reform Program” – centers on three pillars. The first pillar is called “The Book Project” (the scale-up of the IDA-financed Rural Education and Development (READ) project). The second pillar is a Teacher Development and Upgrading Program. And the third pillar is a so-called “Talent Program,” which is a school grants program to increase discretionary spending at the school level to provide further educational enrichment opportunities and increase educational quality.

### II. Proposed Development Objectives

The Project Development Objective is to improve the quality of education for primary school children in Mongolia with particular emphasis on improving reading and math learning outcomes.

### III. Project Description

#### Component Name
Improving learning outcomes

**Comments (optional)**

The purpose of this component is to ensure that by the end of second grade of primary school, Mongolia students are able to read fluently and acquire basic numeracy and math skills.

#### Component Name
Pre- and in-service professional development of teachers

**Comments (optional)**

The purpose of this component is to upgrade teacher quality by helping teachers develop the
appropriate tools to provide individualized support for all children to improve their learning outcomes.

**Component Name**
Implementation of a school grants program

**Comments (optional)**
The purpose of this component is to scale up MES’s “Talent Program” of school grants, currently being rolled out in 100 pilot schools, to the rest of the primary schools in the country.

**Component Name**
System management, monitoring and evaluation

**Comments (optional)**
The purpose of this component is to support MES to effectively implement the project with the support of qualified technical assistance.

### IV. Financing *(in USD Million)*

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### V. Implementation

Overall responsibility for the proposed project supporting the MES reform agenda will be vested with MES. Project implementation will be mainstreamed using the MES structure at the central and decentralized (Aimag) levels supported by qualified TA to be financed by the project. Education departments and relevant government officials at aimag (province) and soum (village) levels and schools will be responsible for the activities executed at the decentralized level over the five-year project period.

### VI. Safeguard Policies (including public consultation)

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**Comments (optional)**
VII. Contact point

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