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Background paper prepared for the Education for All Global Monitoring Report 2009

Overcoming Inequality: why governance matters

## A compilation of background information about educational legislation, governance, management and financing structures and processes:

**Central Asia** 

UNESCO-IBE 2008

This paper was commissioned by the Education for All Global Monitoring Report as background information to assist in drafting the 2009 report. It has not been edited by the team. The views and opinions expressed in this paper are those of the author(s) and should not be attributed to the EFA Global Monitoring Report or to UNESCO. The papers can be cited with the following reference: "Paper commissioned for the EFA Global Monitoring Report 2009, Overcoming Inequality: why governance matters" For further information, please contact <u>efareport@unesco.org</u>



#### Prepared for the Education for All Global Monitoring Report 2009

## A compilation of background information about educational legislation, governance, management and financing structures and processes

## **CENTRAL ASIA**

#### UNESCO-IBE<sup>1</sup> March 2008

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#### Introduction

The present compilation brings together background information about: educational legislation and other basic regulations concerning education; governance, management and administration of the education system; and the financing of education.

Data have been mainly drawn from the sixth edition of the database *World Data on Education* (Geneva, UNESCO-IBE, 2007). A wide range of additional sources have been consulted in order to complement, enrich, and update the dataset (see: Sources).

Information has been organized by UNESCO Education for All (EFA) regions. The present document focuses on countries in Central Asia. A total of 9 country cases are included.

# CENTRAL ASIA [CA] [9 countries in the EFA region]

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#### ARMENIA

#### Laws and other basic regulations concerning education

With the Declaration of Independence adopted on 23 August 1990, the Parliament of the Republic of Armenia initiated new political, economic and social processes. In this stage of public and economic development, ensuring normal activities and progress of all education sub-systems, education institutions and organizations, required a legal basis for operations.

For this purpose legislation has been drafted, including, as a priority, the new laws of the Republic of Armenia on general (primary-secondary) and higher education. Such laws must set out and protect constitutional rights of individuals, establish guarantees for education, and clarify interrelations of state and private forms of education. One of the basic principles of primary-secondary education laws should be to ensure the availability of secondary education for every child, irrespective of family income. The higher education law should clarify the issues of autonomy, licensing and accreditation of higher education institutions. The **Law on Education** was finally adopted by the National Assembly on 14 April 1999. The Law stipulates the new structure of the education system and also that the state educational policy should be organized on the basis of a national programme for the development of education.

In the year 2000 the government approved the Regulations for educational activities, licensing and state accreditation of middle and higher professional education institutions and their professions. These documents regulate the activities of non-state educational institutions and other educational organizations in order to ensure the quality of the educational services provided. The Regulations stipulate the procedures for licensing and state accreditation issuance, requirements for educational institutions, etc.

The pilot project for the reform of the general education system was approved by **Decision No. 377** of 1 June 1999. The objectives were: decentralization of the management of the general education system and increased autonomy of educational establishments; rationalization of the network of general education schools in accordance with established norms concerning class size and teachers' workload; introduction of a new mechanism of funds allocation to schools (i.e. per pupil financing on a lump sum basis).

The **Law on Higher and Postgraduate Professional Education** was approved by the National Assembly in December 2004. The reforms envisaged in the document are related to the implementation of a two-cycle structure of higher education programmes in accordance with the Bologna process. It is envisaged that by 2010 all public and private higher education institutions will offer two-cycle degree programmes (bachelor's and master's degree).

The **Law on Pre-school Education** was adopted in 2005 with the purpose of streamlining the legal, organizational and financial foundations for operating and developing pre-schools.

In 2004, the Law on Crafts and Secondary Vocational Education and Training (adopted in 2005) and the Strategy on Crafts and Secondary Vocational Education and Training were developed with the objective of creating an efficient system of primary and secondary vocational education in order to train qualified specialists in line with the demands of the economy and the labor market. The Law on State Educational Inspection was adopted in 2005; based on this law, the process of establishing the State Inspectorate of Education has been initiated.

According to Article 35 of the **Constitution** (1995), every citizen is entitled to education. Education shall be free of charge in state secondary educational institutions. Every citizen is entitled to receive higher and other specialized education free of charge and on a competitive basis, in state educational institutions. The establishment and operation of private educational institutions shall be prescribed by law. Compulsory and free education lasts eight years (age group 7-15 years). "In 2001 Armenia increased compulsory basic education from grades 1-8 to grades 1-9, shifting the grades for upper secondary from 9-10 to 10-11." [Source: World Bank. *Armenia. Public Expenditure Review*. Report No. 24434-AM, April 2003.]

[Source: WDE]

#### Administration and management of the education system

The principal task of the **Ministry of Education and Science**, as the body responsible for management of the general (primary-secondary) education system, is the implementation of the national education policy, the preparation of legislative bills and draft regulations for State decision-making, and the creation of targeted programmes for resolving different problems within the education system.

The former centralized education system is being replaced by a decentralized system with emphasis on school self-management. The process of decentralization was initiated in 1996, when People's Education Divisions were dissolved and school management was transferred to the Education Divisions in *marzpet* offices. Currently, schools are managed by a Council responsible for approving the estimated budget, preparing the financial report and appointing the headmaster.

The higher education system is under the responsibility of the Ministry of Education, which has mainly organizational, financial, licensing, certification and monitoring functions.

In 2004, the government established the Assessment and Testing Center and developed a new Concept Note on Knowledge Assessment. The first pilot tests were developed by working groups created for designing both an implementation strategy for the new system of assessment of learners' achievement and the school graduation and university admission examination tests in different subject areas.

The network of pre-school education operates mainly through State funding. Parents are requested to pay for part of the services provided and payment levels are determined by the local authorities. Some pre-school institutions are funded by communities and managed by local self-governing bodies. In 1998, the Open Society Institute Armenia started the *Step by Step Programme* for children aged 0-10 years and their families, advocating child-centered teaching and learning methodology. In the course of the project, six preschool training centers were functioning in four regions of the country during 2003. With participation of international experts, training courses for kindergarten and school administrative employees were organized. In 2003, the Education for Parents component of the programme was launched designed to organize education of preschool age-group children at home. The programme works with the families whose children cannot afford to attend kindergartens.

Pre-school institutions include: nurseries for 2-3-year-olds, nursery-kindergartens for children aged 2-6, and kindergartens for children aged 3-6. There is a trend towards the creation of kindergarten-elementary schools. According to national estimates, around 2003 there were operating 825 community and 19 departmental institutions with 51,905 and 996 children enrolled, respectively. The total number of pre-school institutions was 1,069. There were also 21 non-state kindergartens. The pedagogical staff amounted to 6,934 employees, including 4,866 tutors and 844 directors. An estimated 92% of the staff had professional education—34.2% had higher pedagogical education.

#### [Source: WDE]

"At the primary and secondary level fulltime teachers have an average annual load of 612 instructional hours, i.e. 34 instructional weeks of 18 hours a week (plus perhaps 30-50 percent above classroom time in preparation and other duties for a total in the range of 23.4 to 27 hours/week). In addition to instructional weeks, teachers work another 7 weeks for an annual total of 41 weeks. Relative to the average for OECD countries, Armenian schools have fewer hours of mandatory instructional time per year. At grade 6, Armenia has 765 mandatory instructional hours per year, in contrast to OECD countries that have an average of 902 annual hours. At grade 7 Armenia has 842 annual instructional hours; the OECD, an average of 947 hours. At grade 8 Armenia has 867 annual instructional hours; the OECD, 95 1 annual hours.

Between 2000 and 2002 average monthly wages in the education sector were below the average monthly public sector wage. However, the average monthly *teacher* salary slightly exceeded the average monthly public sector wage. Current salaries for all public sector employees, including teachers, are extremely low. Teacher salaries (and those of the public sector in general) in Armenia are seriously below per capita GDP and significantly below averages for the OECD countries. As the economy growths and unemployment declines in Armenia, the sector will not be able to attract or retain teachers of quality without raising salaries significantly. The sector's teaching and non-teaching labor force is overstaffed and accounts for the bulk of public costs at all levels of education. Teachers have minimal financial incentives to improve their performance or to stay in the sector. They work significantly fewer hours than other public sector employees and have lower instructional workloads than the average for OECD countries. The sector apparently does not have clear performance standards for hiring and retaining teachers and therefore has no basis for maximizing on quality.

In 2000 the vast majority of classes (89 percent) were single shift, 10.3 percent being double shift and 0.6 percent triple shift. Although triple shift classes are pedagogically bad practice, the evidence is that Armenia is not using its classrooms intensively. About a fifth of Armenia's general education schools are very small (less than 100 students), and about 50 percent have fewer than 300 students enrolled and serve

only about 16 percent of the total students. Opportunities to improve economies of scale are affected by the number of schools that are in rural areas. In 2001 over 60 percent of Armenia's general education schools were rural schools. They served about 40 percent of the students enrolled. Secondary VET has small enrolments, and, even with the elimination of scholarships and stipends, relatively high unit costs. Its graduates have very limited access to universities." [Source: World Bank. *Armenia. Public Expenditure Review.* Report No. 24434-AM, April 2003.]

"The education system in Armenia is managed at five levels: the Government of the Republic of Armenia, Ministry of Education and Science, governors, heads of local authorities, and education institutions. The Republic of Armenia Law on Education defines the powers of each of them. However, there are still some ambiguities with regard to the clear definition of powers. Operational links between central, regional and local authorities are weak. Education institutions are under the management of various agencies, which makes it difficult to implement unified management and data collection.

In 1998, the credit project "Education management and financing reforms" financed by the World Bank initiated the process of decentralization of management of formal basic education. Among the objectives of the process was increased independence for schools and their transition to a system of management through councils. In 2002-2005, all schools in Armenia moved on to the system of management through councils. All school principals and council members were trained. School councils consist of representatives from the teachers' council, parents' council and supervisory bodies, in accordance with defined quotas. Transition to a system of management through councils aimed to ensure the participation of various stakeholders, which is a premise of democratizing education. But studies reveal that a vast number of stakeholders are not aware of the activities of school councils. Surveys conducted in Armavir, Shirak and Kotayk provinces and Yerevan city have shown that 60.5% of parents do not know about school councils.

In 2004, two key documents were adopted that defined the legislative framework for primary, middle and high school curricula: The National Curriculum for General Education and the State Standards for Secondary Education. The former lays out basic principles intended to shape the school system and the latter develops detailed criteria defining learning outcomes. Criteria have been developed for all levels of education, as well as for specific subjects, which set out the requirements presented to students. These documents lay down the desired outputs of formal basic education, its individual levels, and the subjects that are taught. In 2005, the National Assembly adopted a Law on the State Inspectorate of Education. The Inspectorate already operates within the Ministry system with the primary objective of "facilitating compliance with the requirements of educational criteria." The Government Decree 586-N of 14 April 2004 created the Assessment and Testing Center, one of the goals of which is "to summarize student knowledge tests and exams, to carry out analysis, and to publish the results.

The absence of coordinated and shared activities in the field of education is best reflected by the lack of continuity and linkages between various levels of education; there are no institutions and officials at any level of education management who are responsible for ensuring linkages and continuities between various levels of education. There is no unified conceptual framework for education. There are documents which regulate various levels of education. Even the state program for development of education presents the latter as the sum total of unrelated levels. There are no professional orientation and career centers in schools or specialized education institutions that could support students to move from one level to another in a smoother and more effective manner.

Priority is given to increasing salaries of teachers in the formal basic education system. For example, the average monthly salary of teachers increased by 20% in 2003, by 66.5% in 2004, and by 65.3% in 2005, when it reached the level of 50,500 drams. The salary of teachers was increased further in 2007. The ratio of annual teachers' salaries to the GDP per capita in Armenia amounted to 0.49 in 2003, 0.7 in 2004 and 1.0 in 2005, depending on the level of education and work experience."

Armenia does not have a procedure for recruiting teachers. Our studies in June-August 2006 revealed that no state formal basic education school has announced in newspapers a vacancy for a teaching position. Such announcements are made only by a couple of special schools managed by the Ministry of Education and private schools. It is not clear how a teacher who is willing to work can find out about vacancies in any school. In effect, only a few people have information on vacancies. On the other hand, the absence of public announcements deprives schools from the possibility to collect a large number of applications and to select the best candidate.

Two forms of professional development are generally used in Armenia: training and publication of methodological journals. During the first half of 2004-2005, about 10,950 teachers were engaged in training programs. The total number for 2004-2006 was 35,000. Under the loan project, 52 school-centers were selected throughout Armenia in which training was carried out. In 2004, seven branches of the National Institute of Education were created, bringing the total number of such branches to 13. The National Institute of Education also publishes methodological journals that are distributed to the schools free of charge.

According to data from the midterm expenditure framework 2006-2008, a teacher's workload in 2003 was 18 hours per week in schools, and 16 hours per week in colleges, compared to 20 hours in 2004 and 22 hours in 2005. The Poverty Reduction Strategy Paper (PRSP) and the midterm expenditure framework for 2006-2008 state that the mentioned workload can increase up to 27 hours per week.

Drafting textbooks is one of the new responsibilities of Armenia's education system. In the Soviet period, textbooks (with the exception of subjects relating to Armenian culture and history) were drafted in Moscow. Quality of current textbooks is far from satisfactory. They are not always written in a language understandable to the student. Too much emphasis is put on terminology, which makes it difficult to absorb the subject. Many textbooks fail to address the developmental needs and personal qualities of the student. One of the problems is the fact that among the diverse programs implemented in Armenia none address the development of textbook writing skills and methods.

Although the use of alternative textbooks is not forbidden, until recently teaching was conducted with one textbook (with the exception of the literacy textbook "Aybbenaran"). From the academic year 2006-2007, Armenia's schools have a choice between two which are recommended for use in certain subjects. There has been a system of textbook leasing in Armenia since 1997. Textbooks are leased to students for a fee. Textbook fees are collected in the textbook revolving fund, which is used for financing future textbook printing. This system was an effective one in the sense that it essentially resolved the problem of provision of textbooks. Within the framework of the leasing program, the government allocates 10% of the amount to the fund for children from vulnerable families. But the report on PRSP implementation progress mentions that "the mechanisms for distribution of the available amounts are extremely complicated and, all things considered, are not linked to poverty". Another problem is that schools can not use

the money accumulated in the textbook revolving fund for acquisitions of other educational provisions or books for enriching their libraries.

In recent years, significant investments have been made in the country to repair schools and restore their heating systems. In the majority of schools, however, the temperature defined by hygiene standards is not ensured in the winter. For example, according to data from the Municipality of Yerevan, only 50 of the 205 schools in Yerevan had heating during the 2006-2007 academic year. The other schools in Yerevan are heated by electricity, which is insufficient for huge buildings. Though the number of schools with heating systems has increased in comparison with the past, the number is still low.

In the academic year 2003-2004, there were 3,391 computers in schools all around Armenia, and in the academic year 2005-2006 the number of computers was 5,531. There was also an increase in the number of schools with Internet connections. In the academic year 2003-2004, there were 183 such schools, and in the academic year 2005-2006 the number was 279." [Source: UNDP. *Armenia: National Human Development Report 2006*. Yerevan, 2007.]

#### The financing of education

"In recent years the budget for education represented about 2 to 2.5% of GDP and around 11% of the state budget. The share of 2003 state budget expenditures on education was projected 2.2% in GDP. The share of education in total budget expenditures made up 9.5% of the total projected expenditures. About 5.3% of expenditures on education and science were financed by credit and grant projects. Budget allocations to the different sectors were as follow: general education (primary, lower and upper secondary), 72.3%; higher and postgraduate vocational education, 12.6%; upper secondary vocational education and training (VET), 6.3%; college education, 3.7%; boarding schools for general education, 2.1%; tertiary education, 2%; and VET, 1%." [Source: Economic Development and Research Center. *Simplified State Budget for Education and Science for 2003.*]

"Armenia's budget management system i s based on three main pieces of legislation: (i) the Budget Systems Law, promulgated in 1997; (ii) the Treasury System Law, brought into force on 1 January 2002; and (iii) the Procurement Law, introduced in June 2000. The Treasury System Law has been supplemented by regulations setting out the specific roles and responsibilities for all stakeholders in Treasury operations.

The Budget Systems Law contains the formal regulations concerning preparation, execution, reporting and the methodological framework of the budgets. These are supplemented by regulations contained in the Annual Budget Law, including virement rules, and the detailed budget classification. The Law is comprehensive and covers both State and local budgets. Formal rules and procedures for approval and changes to the budget are transparent. The timetable and responsibilities for budget stakeholders are clear, as are relations between State and local budget entities.

Sector budgets continue to be allocated on the basis of norms and inputs (economic items), rather than on outputs and outcomes. The system has not been replaced because of a significant lack of accountability in the system, leading to fears that the loosening of spending controls will lead to greater corruption. The continued reliance on

line-item budgeting prevents any mechanism for linking budgets to Government policies. With the wagebill dominating the recurrent portion of the budget, the remaining economic items, particularly non-wage operations and maintenance, tend to get squeezed when there is shortfall of funding.

Sector ministries have a limited role in the budget formulation process due to two aspects of Armenia's budget system. Firstly, the absence of budgetary ceilings given to sector ministries by the MOFE means that sector/function budget submissions are significantly above the likely resources available; consequently, it is the MOFE who makes final decisions on individual budgetary allocations. However, because of the lack of an effective MTEF (Medium Term Expenditure Framework) to date, the mechanism used by MOFE to allocate budgetary resources across sectors is not as transparent as it should be. This further exacerbates the separation between sector policies and budgets and prevents greater flexibility being given to budget managers. In some important sectors, such as education, the sector ministry has a minimal role in the budget submissions themselves. Once budget requirements have been determined by individual budget cost-centers (e.g. schools), using norms or pre-set input ratios, these budget needs are aggregated at the regional level before being sent on to the Ministry of Finance and Economy. Whilst the information is sent to the Ministry of Education and Science in this case, it is for information, rather than for their approval. The Ministry's role is mainly limited to gathering the policy-based statistical information (e.g. numbers of teachers) required to apply the norms. Thus, whilst sector ministries such as the Ministry of Education and Science are responsible for setting Government policies, they lack the role/ability to influence how resources are used to meet these policy objectives. This lack of a link between policies and budgets is further exacerbated on the budget execution side by the fact that cash releases tend to be *ad hoc*, thereby preventing sector ministries from effectively planning their expenditures during the year and encouraging ad hoc and nonstrategic expenditure decisions.

In Armenia, actual budget outcomes do not correspond well to the adopted budget laws, especially at the disaggregated level. Moreover, the analysis indicates that the deviations between the approved and executed budgets were significant, and the deviations increased in 1999-2000 compared to 1998. The Armenian budget is overcommitted: the Government has not been able to concentrate spending in a fewer number of functions/institutions, it struggles to support too many pieces of the traditional expenditure structure but in many cases provides funding at unsustainable low levels. Chronic under-funding across the board keeps the fiscal pressures high and diverts the attention of policy makers from identification and making decisions on strategic choices.

Armenia's public expenditures on education increased as a percent of GDP between 1997 and 2001 by 45 percent from 2.0 to 2.9 percent of GDP. Given a noticeable expansion of real GDP (by third) in this period, this constitutes a considerable increase in education financing. However, the current level i s still very low by international standards. As a share of general budget, public expenditure on education in 1998 was below the OECD 1998 average-8.3 percent versus 12.9 percent. However, by 2001 Armenia's public expenditure for education as a percent of total public expenditure, relative to the 1998 percent for the average OECD country, had narrowed significantly, the share of total public expenditures going to education increased from 8.3 to 10.5 percent in the 1997-2001 time period. Education's low share of Armenia's GDP is partly attributable to the fact that Armenia's total government expenditure is very low (about 25 percent of GDP).

Public reports of education expenditures are incomplete. In 2001 these omitted expenditures amounted to 17.3 percent of the reported education expenditures, 2 percent

of total public expenditures, and more than 0.5 percent of GDP. They exclude repayments of budget arrears and investments in education under the World Bank-funded Armenia Social Investment Fund (ASIF). ASIF investments range between 250-500 million drams per year each year since the late 1990s. They also exclude off-budget foreign grant assistance to the education sector. It has been estimated that these grants amount to US\$6.1 million in 1999, US\$9.7 million in 2000, and US\$9.8 million in 2001. On the other hand, these resources do not arise out of taxes and can be seen as "one-time" or less predictable funding for the sector. Private expenditures are also under-estimated: Private fee costs only are reported, not other private costs of education, such as e.g. textbook costs.

Armenia's local budgets for education as a percent of total public education expenditures varied between 8 percent in 2000 and 15 percent in the unadjusted 2002 budget, with 13 percent being the median budget share. However, since local budgets included the financing of extra-curricular activities, not just preschools, shares at this level seem relatively comparable to the OECD share for preschool. Including general education boarding schools, Armenia's share for primary and secondary education are almost identical to the OECD share: 64.2 percent in 1998 and 66.3 percent in 2002. The tertiary share, including the retraining institutions, is also almost identical: 18.8 in 1998 and, reflecting the increase in fee-based tertiary enrolments, 16 percent in 2002.

In general, expenditure allocations between major budget categories are not distorted. Relative to the average for OECD countries, Armenia's education system as a whole allocates more to recurrent and less to capital costs. Its allocations between staff and non-staff expenses are comparable to the average for the OECD. However, detailed analyses of recurrent expenditures for the different levels and types of education paint a picture of consistent under-funding: deferred maintenance, under-funding of utilities, and virtually no allocations for the resources associated with improving the quality of educational services, such as teacher training or libraries and other learning resources.

Between 1995 and 2001 the number of private institutions almost quadrupled, although the net gain in students was only about 40 percent. On average, the richest households spend almost six times as much on education as the poorest households. As a percent of their total household expenditures, the richest spend 66 percent more than the poorest households. For households with children of primary school age, the richest households on average spend about twice as much on education as the poorest households.

State colleges and universities also significantly depend on private fees. Essentially the state tertiary system is becoming privatized. The state institutions divide their numbers of places into "state order" places (places publicly financed) and "fee" (privately financed) places. The share of fee-based places steadily increased across the 1997-2001 time period for both colleges and universities, reaching 76 percent and 63 percent, respectively, by 2001.

The sector lacks a comprehensive accounting and reporting system for public finances available to the sector, including off-budget grants and credits spent at local levels. Local levels of government receive block grants from the central government, but do not report how these grants were spent. A simple example is that local budgets are spent for preschools and extracurricular activities. It is not known how the total is allocated between these two activities, what inputs are purchased for each, or how many children are served by each. Tertiary institutions have three sources of funds: state funding, student fees, and donor and private contributions. How this money is spent is known publicly only for state funding. However, to evaluate the fiscal health of this level of education, how total funding is allocated needs to be known." [Source: World Bank. *Armenia. Public Expenditure Review.* Report No. 24434-AM, April 2003.]

"The planned expenditures from the state budget on education in 2004 amounted to 2.33% of the GDP, compared to 1.96% in 2003 and 2.74% in 2005. According to the 2007-2009 Medium-Term Expenditure Framework of the Republic of Armenia, this indicator is 3.23% for 2006.

According to a Decree of the Armenian Government adopted in 2002, for effective and targeted use of budgetary sources, the transition of all formal basic education schools to a per-student financing scheme was completed in 2005. The per-student financing scheme was not applied to formal basic education schools included on the list approved by the Government Decree adopted in 2001, which are financed based on the number of classes. By a Government Decree adopted in 2006, from January 2007 all schools in Armenia will be included in the per-student financing scheme.

While per-student financing is generally considered a change for the better, in some cases it has a negative impact on the process and quality of education because schools, in order not to lose students, make compromises and artificially apply less stringent educational requirements. These less stringent requirements are arguably the reason behind the significant improvement of students' progress recorded (for example in Yerevan)." [Source: UNDP. Armenia: National Human Development Report 2006. Yerevan, 2007.]

#### AZERBAIJAN

#### Laws and other basic regulations concerning education

According to the Constitution of 1992, the State guarantees free general and secondary education to all citizens and establishes minimum educational standards.

The **Education Law** approved by the National Assembly in 1992 defines the structure of the education system and the role of educational staff at the different levels. It introduced several major changes, such as decentralisation of education management, provision of private education, changes of school curriculum, and establishment of parent/community associations to provide financial support for schools and material development. The Law was amended in 1995, increasing the duration of compulsory education from 9 to 11 years.

The **Education Reform Programme** was approved by the President in 1998. In June 2000, another Presidential decree launched a number of important measures including a new model of pre-service teacher education.

The Education Sector Reform Programme (ESRP) 2001 was designed to be implemented in three phases. It is considered as the main policy document for the education sector.

The **State School Infrastructure Improvement Program (SSIIP)** was approved by a Presidential decree in 2003. The Government planned to allocate about 269 billion manats during 2003-2007 for the construction of 149 new schools, the rehabilitation of an additional 408 schools, and the expansion of 175 schools (construction of 1,328 new classrooms).

The **National Commission on Education Reform** was set up by Presidential decree in 2005. Its task consists in improving the quality of education taking into account the new developments, identifying strengths and weaknesses, and considering the different options for improvement.

[Source: Nigar Baimova. *World Bank Education Project in Azerbaijan*. Workshop of the World Bank, Singapore, September 2006. DRAFT, NOT TO BE QUOTED.]

#### Administration and management of the education system

"Azerbaijan had an extensive network of education institutions at all levels with a large number of well-trained teaching staff across the country (even though the institutions were inefficient and poorly managed). The state financed the provision of free textbooks and teaching materials. Free meals and clothes were provided for orphanages and special boarding schools for children with disabilities. The 1989 census indicated an overall literacy rate of 99.6 percent. During the early years of transition, output contraction and the consequent sharp drop in fiscal revenues squeezed public expenditures both as a proportion of GDP and in real terms, to the point where there was a danger of severe erosion in human capital. Between 1992 and 1995, the share of the education budget as a share of GDP fell from approximately seven percent to 3.5 percent. In 1995, in real terms, government spending on education was only 27 percent of its level in 1992.

After the initial sharp drop in public spending on education, considerable efforts were made to protect education expenditures. As the prospects for growth improved, educational outlays grew in absolute terms between 1995 and 2001, but remained relatively stable at about 3.5 percent of GDP.

However, the real increase in public expenditures during the second half of the last decade did not result in improvements in the quality and efficiency of education services. This is evident from the increased perception that private tutoring is essential to good education: 67 percent of secondary schools graduates stated the necessity of training with private tutors. Equally important is the unproductive use of resources, notably crowding out essential expenditures for textbooks and other school supplies.

Four main reasons can be cited for the overall deterioration of the quality of education: (i) expenditure allocations are inefficient and lead to an unproductive use of resources; (ii) there is over employment in the sector; (iii) the links between financial considerations and policy formulation are weak; and (iv) management coordination is poor.

The share of expenditure on education in Azerbaijan in 2001 is 17.3 percent of the consolidated budget. The bulk of these expenditures, however, consist of teachers' salaries, which have risen steadily, reaching nearly 82.5 percent of total education expenditures in 2001. The relatively high share of wages and social security contributions, foods, and utilities in the education budget has crowded out other essential inputs such as textbooks, teacher training, educational materials, maintenance, and operation of schools. Public spending on textbooks is less than one percent of total public spending on education, and most basic education students have limited access to textbooks and learning materials. Starting 1995, the Government has been providing free textbooks to students in the grades 1-4, initially covering 40-60 percent of students, but gradually extending this policy to all students at this grade levels. However, only about 30 percent at this grade level receive new free textbooks, while the rest received used textbooks. The available textbook supply is not only scarce, but the quality of the textbooks also requires attention.

Capital equipment accounted for only 1.1 percent of total education spending in 2001 compared to 4.8 percent in 1997. Despite the common problems of under-provision of non-wage items, however, the situation is not uniform throughout the country. The problem is more acute in urban areas, especially in the capital city, Baku (where schools operate in up to four shifts) and is further exacerbated by the large inflow of refugees and IDPs. Starting 2001, budget allocations for education could adequately meet part of the utility needs, without covering heating expenses. This leads to large and growing arrears to utility companies. Schools have been subjected to frequent power, heating, and water shortages. In rural areas the available data indicate that schools are able to pay for only the most basic needs (e.g., salaries).

The Ministry of Education (MOE) has direct control over educational policies and management issues. The share of centralized expenditures, i.e., those executed through the MOE, in the total expenditure allocated from the state budget for education is about 11.5 percent, while local expenditures, i.e., those executed through local education

departments, account for 88.5 percent of that amount. As such there is little accountability mechanism that can enable the MOE to monitor/evaluate the use of resources at the level of local (rayon) departments of education. Because educational decisions remain detached from financial considerations, there are incentives to maximize "education inputs" based on a set of norms, especially at the local level of rayon departments of education. At the same time, the MOF has no information about the cost of education with which to analyze productivity in the education sector (e.g., unit cost) or the effectiveness of education policies. For example, teachers are hired on the basis of a set of curriculum and classroom size norms, without any consideration of the fiscal impact of an increase in the number of classrooms. The MOE decides on the norms (e.g., curriculum and classroom size, which are also specified in the Law on Education), whereas the local education departments and schools determine the number of classrooms based on these norms. They have incentives to maximize the number of classrooms so that they can hire more teachers, who are paid on the basis of the normative teaching load (12 hours per week). The MOF is responsible for the financing of teacher salaries on the basis of these norms and an estimated budget. The MOE has no information about the cost and finance of education, including the unit cost per student in general education, since it assumes that this is the responsibility of the MOF and local governments.

The management of the education system itself continues to be fragmented. The MOE is responsible for the overall management of preschools, general education schools, higher education institutions, and about half of the vocational and technical schools. There are ministries and state companies that are responsible for the remaining vocational and professional schools, mostly in specialized fields. These bodies include the Ministries of Health, Culture, Youth and Sports, National Security, Caspian Shipping Company and Azerbaijan Airlines Company. Rayon education administrations manage preschools, general education schools, and out-of-school programs. Greater consolidation of the management system in education would help enhance the formulation and implementation of educational policy, preventing duplication of activities, particularly in vocational and higher education.

The Education Reform Program approved by the President in 1999 provides a comprehensive treatment of the education sector, which acts as a strategic document and as an outline for an implementation plan. The Reform Program served as a general guideline for development of the new Draft Law on Education prepared for discussions in the Parliament." [Source: World Bank. *Azerbaijan Public Expenditure Review*. Report No. 25233-AZ, April 2003.]

"About 15.2 bln. AZM was allocated from the state budget to provide all children in the I-V grades, as well as refugee and IDP (Internally Displaced Person) children in the I-XI grades with free textbooks for the academic year of 2003/2004 to facilitate equal access to primary and secondary education and to improve educational resources. The textbooks have been published and distributed. This continued for the academic year of 2004/2005. An open tender was held for publishing textbooks for the I (ABC-book), VI and VII grades. Purchase agreements were concluded with 5 publishing houses for publishing 2,864,000 copies of 35 types textbooks. A total of 1,100,000 children in the I-VII grades of the state schools of general education and about 32000 refugee and IDP children in the VIII-XI grades were provided with the free textbooks. In total, 23.3 bln. AZM were allocated from the state budget for the publication of textbooks. The 2005 state budget envisages allocation of 44 bln. AZM to provide the children in the I-XI grades of the schools of general education with free textbooks in 2005/2006 academic year.

Although general education schools are widely available throughout the country, a disturbing trend of widening differentials in the quality of education services has started to appear, due to the lack of access to learning materials, deteriorating physical conditions of schools, and low qualified teachers. According to statistical data from the SSC, the level of teachers' education showed a slight decrease during the last two years. Thus, the share of teachers with higher education in state day general education schools decreased from 79.8% in 2001 to 79.6% in 2003, while the share of teachers with secondary pedagogical education has increased from 18 to 18.4%.

A Curriculum Center was established in line with the relevant Order of the Ministry of Education dated 11 March 2004 to implement the Action Plan on "Curriculum reform in the system of general education". This is a subcomponent of the project "Development of the Education Sector" implemented under the Reforms in the Education Sector. A charter for the Center has been confirmed and recruitment procedures have started. In addition, a Republican Council for a general education curriculum was established. The Council consists of representatives of a number of ministries and committees, executive bodies, public organizations and parents. The Council's main tasks are to obtain and identify public opinion, as well as prepare relevant proposals for regular improvement of the curriculum. Terms of reference for consulting services have been prepared on the "Curriculum reforms" sub-component for 2004-2006, as well.

A new approach to the content of re-qualification and re-training courses and to training methods has been introduced. A "Cascade" method has been applied to strengthen the work with leading teachers and use them as "Trainers". 1200 Teachers of support/resource centers, who apply this method and are seen as "Trainers", as well as heads of schools have completed the II stage of the training course on "Active and interactive training methods" based on the "Train the Trainers" Program. In addition, an 18-hour and a 36-hour special seminar has been arranged to increase the skills of school directors in educational management and financing.

The first National Conference and a constituent conference were held in 2004 aimed at establishing Parent-Teacher Associations (PTAs). PTAs have been established in 5 pilot schools with support from UNICEF. The aim of the PTAs is to integrate the efforts of all parties concerned in school children's development. The PTAs will involve parents more actively in the teaching and educational process, implement projects and programs to solve existing problems at the schools of general education and provide social support. 45 Schools joined this initiative voluntarily.

20 pilot schools received computer equipment and other technical training facilities in 2003 as part of the "Reforms in the Education Sector". A program is being prepared to expand the use of Information Technologies at the schools of general education in more pilot regions. A total of 72 Internet Computer Centers have been established at the schools of general education as part of the "Azerbaijan Connections and Exchange Program". The Internet Computer Centers have been established by Project Harmony in line with an agreement with the Ministry of Education and with the support of the US Department of State to widen access to computers at the secondary schools. A total of 47 out of them were put into operation in 2004 at the secondary schools. Each of the Centers has been provided with five computers, a server, printer, digital photo camera and scanner and Internet connection. A "Program to provide schools of general education with information and approved by the relevant Decree of the President of AR dated 21 August 2004. The aim of this was to improve the quality of education at the schools, create a shared information environment in the education sector, speed up integration into

the world education system and prepare the population for the information society through the use of information technologies. It is planned to allocate 100 bln. AZM from the state budget for this Program. It is envisaged 20 bln. AZM in the 2005 state budget.

International experience in creating community-based pre-school facilities is explored in order to expand preschool facilities and introduce new models. Currently, with the help of UNICEF, the Project on "Parent and Child Development" is being implemented. 3 pilot pre-school facilities have been provided with equipment, technical support, stationary, toys and teaching aids. Training has been arranged at these facilities for parents and nurses to establish "short-term" groups. The 3-4-hour groups will provide a comprehensive development of children and prepare the children for school. Besides, 29 child development centers in 13 regions of Azerbaijan and 5 in Mingachevir have been established for children from refugee and IDP families and provided with stationary, toys and some literature. The WFP regularly provides nurses and children in these development centers with food. Regular training for nurses and parents are organized in the child development centers and in pre-school facilities selected within the framework of the above project. A conference to prepare a National Policy on "An Integrative Approach to Early Childhood Development" was held in May 2004 and priority measures in this area were identified. In addition, the relevant measures are being implemented for the preparation of a development program on pre-school education. New opportunities will be created for the development of pre-school institutions following approval of the program.

The President of AR signed an Order on 12 January 2004 to ensure a mass re-print of the publications in the Azerbaijani-Latin alphabet, which were published previously in the Azerbaijani-Cyrillic alphabet. A tender was held for the implementation of the abovementioned Order and a contract signed with the winner of the tender. A total of 44 types of books have been published with 10,000 copies (in total 25,000 copies will be published)." [Source: Government of Azerbaijan. Azerbaijan progress towards the achievement of the Millennium Development Goals. Progress Report 2003/04. Baku, 2005.]

"Between 2004 and 2006, spending on education increased by 82 percent to AZN 447 million in 2006, approximately 2.7 percent of total GDP, or 5.6 percent of GDP at purchases prices minus oil and gas production. Salaries accounted for the large majority of general school funding, with only 10 percent going to non-salary expenses.2 In 2007, a further increase of 47.1 percent went to Education sector, a 12.8 percent of the national budget. The Ministry of Education-managed funds have increased to 33.8 percent of the total education budget due to the new programs under its responsibility (Education and ICT, Pre-School, VET, textbooks, school furniture and equipment, etc.). As a result, education quality-oriented non-salary investments in Azeri schools emerge as the current priority. Some progress has been made in laying the foundations for improving the quality of education, including: (i) design of the curriculum reform and introduction of a new textbook policy entailing the free distribution of textbooks in core subjects; (ii) establishment of a national system of student assessment involving national testing and participation in PISA 2006; (iii) establishment of the EMIS department and the Policy Analysis and Planning Unit at the Ministry of Education; and (iv) approval of a national strategy for the professional development of teachers. PISA results released on December 2007, rank Azerbaijan among the lowest of all 57 participant countries. While the Mathematics results show that the Azeri education system has the potential to deliver good quality, the Reading and Science results are extremely worrying, and certainly

provide a very solid justification for an education intervention geared towards improved reading comprehension skills. general education curricula in Azerbaijan has heretofore remained among the most outdated and over-loaded, in its reliance on teaching facts rather than focusing on independent, research-based, student-centered learning emphasizing the development of higher order thinking skills. Another source of poor performance is teacher training which focuses on theoretical subject-based knowledge instead of equipping teachers with the skills they need to promote meaningful learning in students. Furthermore, external support to teachers, options for professional development and teacher supervision are very limited. The Government is addressing some of these issues with the recently approved Concept and Strategy for Teacher Professional Development.

The network of preschools is deteriorating and preschool enrolments are declining. The majority of preschools are in poor condition, and they lack learning materials, furniture and equipment.. Only 18.2 percent of preschool age children are enrolled in preschool, the gap between rural and urban areas is widening (12 and 35 percent, respectively), and only 75 percent of the existing capacity is being used. This is having a huge impact on the school readiness of Azeri students, thus seriously damaging their future performance. The Government is increasingly concerned about the situation of Kindergartens and has recently approved a Presidential Program (2007-2010) which is still to receive the necessary funding." [Source: World Bank. *Republic of Azerbaijan. Education Sector Development Project.* Project Information Document, Appraisal Stage. Report No. AB-3574, January 2008.]

"Azerbaijan is about to embark upon the implementation of a new national curriculum for primary and secondary education. The new curriculum is the cornerstone of the education reform program in Azerbaijan as its implementation requires the alignment of every key sector element related to education quality: a new approach of in-service teacher training, the ongoing changes in student assessment policies and instruments, and the projected new generation of textbooks and learning materials. At the outset of project preparation, the most immediate challenge is how to accelerate the implementation of the curriculum reform to all grades of primary and secondary education. Several options for speeding-up implementation are now being considered by the Ministry of Education as the piloting of the Grade 1 curriculum takes place More specifically, the implementation challenges of the curriculum reform include: (i) content reform to reduce the number of subjects and the overloaded content specifications, and also to develop the new subjects or new subject content; (ii) structural reform to extend the curriculum design work to a 12th year of general secondary and to the years of preschool; (iii) assessment reform, which requires not just the development of subject attainment targets but also the use of school-based assessment strategies to take account of multi-ability realities; (iv) the implementation of subject integration and effective horizontal and vertical sequencing; and (v) methodological reform via the introduction of active and student-centered learning approaches and the development of teaching and learning strategies - including ICT integration - that would act as vehicles for the development of higher order skills and problem solving." [Source: World Bank. Republic of Azerbaijan. Education Sector Development Project. Project Information Document, Appraisal Stage. Report No. AB-3240, October 2007.]

#### The financing of education

"Public expenditure on education rose in absolute terms in 2003 by 218 bln. AZM (44.4 mln. USD) and reached 1174.2 bln. AZM (239.2 mln. USD). However, expenditure on education decreased as a share of total budget expenditure; from 20.5% in 2002 to 19% in 2003 (it was 23.5% in 1990). Public expenditure on education as a share of GDP remained relatively stable: 3.2% in 2002 and 3.3% in 2003, but has decreased considerably since 1990, when the figure was 7.5%. There has also been an increase in per capita annual public expenditures as well: from 117 thsd. AZM (24.2 USD) in 2002 to 142.6 thsd. AZM (29.1 USD) in 2003.

The average monthly wage for the education sector was 211.4 thsd. AZM (43 USD) in 2003, compared to 169.1 thsd. AZM (34.4 USD) in 2002. These amounts represent 55.2% of average monthly nominal wage for Azerbaijan in 2003 and 53% in 2002. The low wage levels encourage teachers to earn income from private tuition. In 2002, the SSC (State Statistical Committee) of Azerbaijan Republic conducted a sample survey on "Opinion of the population on reform of school education" in the framework of the EU TACIS program on "Social Statistics" with the support of Eurostat and experts from the Central Statistical Bureau of Finland. According to the results of the survey, 45% of the teachers interviewed were engaged in tutoring and private training with pupils, and 55% of interviewed pupils paid for private lessons with schoolteachers or tutors.

According to the Order of the President of AR dated 15 May 2003, monthly wages of more than 320,000 state funded educational employees, as fixed by the Single Tariff Scheme were increased 50% from June 1 (2003) and additional funds of 230.8 bln. AZM were allocated. The wages of about 100,000 education sector employees were increased following an increase in the minimum wage. Extra-wage payments for academic degrees increased 5 times from July 2004 in line with the relevant Order of the President of AR and were received by more than 800 doctors of science and 5,200 candidates of science. According to the relevant Order of the President of AR, monthly scholarships for postgraduates, students of the state higher, specialized secondary and vocational schools, including students of lyceums were increased more than twice from May 2004. In addition, criteria were developed for the introduction of performance related pay for teachers." [Source: Government of Azerbaijan. *Azerbaijan progress towards the achievement of the Millennium Development Goals. Progress Report 2003/04.* Baku, 2005.]

#### GEORGIA

#### Laws and other basic regulations concerning education

Since independence, one of the most important tasks has been the reform of the education system and the development of a new legal framework for education. To this end, the Board of Ministers adopted in 1995 the State Programme of Education Reform.

In June 1997, the Parliament of Georgia approved the **Law on Education**. This Law defines the main principles of the State educational policy, enables the establishment of private educational institutions and provides for education financing from public and private sources. A number of normative acts have been issued by the Ministry of Education in accordance with the 1997 Law, including: regulation concerning regional departments of education; State standards for educational institutions of all types; regulation concerning secondary schools; regulation regarding primary and secondary vocational education institutions; regulation and criteria for licensing pre-school institutions; regulation concerning the Accreditation Board of higher education institutions.

According to the Law of 1997, in Georgia primary education is compulsory and lasts six years. Children are admitted to primary education at the age of 6. Basic secondary education (three years' duration) is provided free of charge. According to the Law, general secondary education is provided free of charge to a quota of students determined by a State Order on the basis of available financial resources. In 1999, according to the Budget Law, 30% of students receive general secondary education free of charge. Other students pay fees. The Law states that, for the year 2003, the State should provide general secondary education free of charge to all students.

The Parliament of Georgia adopted the **Law on General Education** on 8 April 2005. According to the new law, the citizens of Georgia with a native language other than Georgian enjoy the right of receiving a full-course general education in their native language in compliance with the national curriculum. Among other provisions, the Law also establishes a twelve-year cycle of school education to be finalized during 2006/07. The new **Law on Higher Education** was adopted in December 2004 and amended in 2006 within the framework of the implementation of the Bologna process.

The Ministry of Education and Science has promoted the establishment of the Government Commission on Social Partnership in Vocational Education, which was approved by the **Government Resolution No. 90** on 27 May 2005. The Minister of Education through the **Decree No. 350** of 11 July 2005 created a special commission with the task of drafting a law on vocational education.

Georgia was officially recognized as a full member of the Bologna process on 19 May 2005.

#### Administration and management of the education system

The education system in Georgia is under the responsibility of the Ministry of Education (MOE, today the **Ministry of Education and Science**). The functions of the MOE are defined by the Law on Education and the Regulation concerning the Ministry of Education approved by the President of Georgia. All publicly financed education is subordinate to or under the supervision of the Ministry of Education. The Minister, who is a member of the government, is assisted by deputy ministers appointed according to the main directions of activities. In accordance with the Law of 1997, the main functions of the MOE are as follows:

- to implement the unified state policy in the education sector;
- to define study plans and State educational standards and supervise their application;
- to approve criteria, rules and conditions for licensing educational institutions;
- to approve criteria and rules for the attestation of students and pedagogical staff;
- to approve academic degrees and regulate their granting;
- to recognize certificates and diploma obtained abroad.

In addition, the MOE organizes the creation of the necessary material and technical base, provides scientific-methodological and information services, and approves and publishes textbooks and other teaching aids.

The Ministry of Education consists of the following main Departments: Executive secretariat; Department of pre-school, secondary education and children's rights; Department of primary education; Department of higher and secondary vocational education; Department of sport and military training; Department of information and planning; Department of accountancy and analysis; Department of infrastructure; Department of textbooks; Department of information on the education reform; Department of coordination of national programmes; and Bureau of coordination of regional programmes within the framework of the reform. The Department for Accreditation was separated from Ministry in March 2006, and an independent National Centre for Educational Accreditation (formerly the State Accreditation Service of Educational Institutions in Georgia) was established in accordance with the Decree No. 222 of the Minister of Education and Science.

These structural units provide policy and planning guidelines, contribute to the process of definition of educational policies and are responsible for their implementation. There are two autonomous republics in Georgia, which have their own Ministries of Education. These Ministries are the main governing bodies of the education system within the territories under their jurisdiction. They participate in the development and implementation of the unified state educational policy. They also define educational programmes and control their implementation within the territories under their jurisdiction.

Georgia is comprised of ten regions and 70 *raion* (districts). **Regional Education Departments** and Education Departments (now Education Resource Centers) at the district level are responsible for the administration and management of kindergartens and

schools. Administration and co-ordination of all activities related to state higher education institutions is under the responsibility of the Ministry of Education.

The MOE establishes educational standards for higher education institutions, as well as typical regulations and principles for the admission of students, the appointment of pedagogical staff, and the granting of diplomas and degrees. All educational institutions in Georgia have a certain degree of autonomy. They are managed by administrative and pedagogical or scientific (at the higher education level) councils. Normally in each educational institution a board is in charge of fund raising and the rational distribution of available funds.

Higher education institutions have a high degree of autonomy. They elect their rector and scientific board, take independent decisions concerning their structural units, staff, content of courses and other organizational matters.

The Central Institute for In-service Teacher Training and eight regional institutes offer in-service training programmes, aiming at helping to improve teacher qualifications, enhancing the quality of teaching, and introducing innovations in teaching methods. Inservice teacher training is mainly funded from the local budgets or by the teachers themselves. Curricula and programmes for in-service teacher training are developed by the Central Institute for In-service Teacher Training and approved by the Ministry of Education.

#### [Source: WDE]

"The scope and pace of Georgian education reform since 2003 are unique in the region. In particular, reforms of financing and governance of educational institutions, that other countries have been grappling with for years, have been initiated at a stroke. They introduce the per capita financing principle of 'money follows the student' in both general and higher education. The state undertakes to provide twelve years of free general education, and primary, basic and general schools (which have been converted from local-government budget organizations to autonomous Legal Entities of Public Law or LEPLs) are funded directly from the Ministry of Education and Science, receiving an amount per pupil (a voucher) which varies only according to the location of the school (highest for those in highlands, lowest for those in cities) and covers current but not capital expenditures. Small schools can receive an extra amount per pupil from the central budget, and extra educational and teaching services and special educational curricula can be financed locally. Each school has a Board of Trustees, composed of elected teachers and parents, a student representative and in some cases a local-government nominee, which elects the school director, approves the budget, and oversees and advises school management. The lump sum amount received from the MoES (paid into the school's own bank account) can be spent in any way that school management, approved by the Board, decides, subject only to a minimum salary rate for teachers, depending on their qualifications, experience and the number of pupils per class. Local education departments have been replaced by Education Resource Centers, which facilitate (but do not control) schools' educational activities by collecting data, conducting research, organizing training, workshops and seminars.

Per student funding model has been applied to higher education (HE). Within this model, upper limit of tuition fees is set for state universities, but not for private ones and

this upper limit equals the highest amount of grant issued by the state. Uniform grants to a relatively small number of students (2005) have been replaced by grants on a sliding scale to a larger number, but still merit-based (2006); and a student loan scheme has been initiated in cooperation with commercial banks (2006). The HE management system has been changed making HEIs autonomous bodies and their heads are no longer appointed by the President but elected by each institution's Academic Council (the highest representative body consisting of elected professors from each department). A crucial contribution to reduction in corruption and reform of higher education admission has been made by the introduction of unified entrance examinations, held in 2005 and 20064, using sophisticated testing methods across a range of subjects. These are administered by a new agency, the **National Examination Center**, under the governance of but at arm's length from the MoES.

Similar management model has been established and relevant agencies have been set up in other areas important to quality assurance and control. The **National Education Accreditation Center**, established in March 2006 is responsible for carrying out the accreditation of higher education institutions. The number of authorized HEIs has already been reduced through a courageous two-step institutional accreditation process from 227 in 2004 to current 43. The Center intends to extend accreditation to general and vocational schools, and is developing criteria for this purpose as well as encouraging a process of self-evaluation.

The **National Curriculum and Assessment Center**, established in April 2006, has introduced new curricula, designed to encourage active learning rather than mechanical transfer of knowledge, at first in grades 1, 7 and 10, and on a pilot basis in grades 2, 8 and 11. Authors have developed new textbooks in response to the new curricula: a textbook rental scheme has been piloted but not implemented nationally. The **Teachers' Professional Development Center**, established in July 2006, aims to develop standards and qualification requirements for teachers, to conduct a process of accreditation of teacher training and retraining programs and to introduce a system of teacher certification. After many years of attention to in-service training, reform of precareer training is regarded as the greater challenge.

For the first time during the last 20 years general schools were rehabilitated and new schools were built within the President's National Program for School Building Rehabilitation. The program will spend over GEL 390 million on restoration and repair work over the next four years. Another area of innovation is vocational education. A recently adopted law on Vocational Education regulates initial vocational education: activities of the National Professional Agency, curricula and management of VETs. According to the Law the National Professional Agency will create national qualifications and accreditation system and vocational education standards will be developed by the National Curriculum and Assessment Center. In parallel the MoES has started the process of rehabilitation vocational training schools. 11 schools have been rehabilitated and opened in 2006-07. The MoES is planning to optimize the network of existing vocational schools and rehabilitate the best ones in the coming two years.

Currently the pre-primary education sector in Georgia is to a large extent underdeveloped. As in some other post-communist countries pre-primary education system collapsed in the early 1990s. Since then, this level of education, unlike other levels, has not been through an extensive reform process. Therefore, there is an urgent need to introduce substantial changes in this sector –legislative as well as structural and operational. The reorganization of pre-primary education carried out in 2005 was aimed at the decentralization of the system which was previously centrally governed. As a result local self-management units became responsible for the establishment of pre-school

educational institutions, approval of their statutes, and appointment of a person responsible for the representation and control of their affairs. However, currently there is certain confusion over the management and organization of pre-school education: there are no principles of management and control in place; the role and extent of involvement of central government are largely undefined; funding mechanisms for pre-school education have not yet been devised; and there is no standard licensing procedure. Only 17 per cent of 3-4 year olds from the poorest families attended pre-school in 2005, compared with 69 per cent of those from the richest families. According to the estimates of the National Department of Statistics of Georgia out of 1,215 public pre-school institutions functioning in 2005, 923 needed capital repair and 217 were in emergency conditions. Schools lack such essential facilities as heating, roofing and educational materials. Similar problems are apparent in educational programs and teaching methods: staff qualifications are not adequate. Georgia is currently in the initial phase of formulating a national strategy for Early Childhood Development (ECD). A comprehensive model will be set up for pre-school education and early childhood care. The principles of organization and management will be clearly defined within the model as well as mechanisms of funding. The model will contain clear delineation of rights and responsibilities of local and central governments in the management and control of preschools. Although responsibility for management of pre-school institutions lies with local governments, central government will be involved in developing normative framework for ECE. Specifically tasks and responsibilities of the MoES will include: establishing standards for ECE; providing support in the introduction and implementation of standards; and assuring ECE quality.

The State provides a free twelve-year general education for all its citizens. General education in Georgia consists of primary (grades 1 to 6), lower secondary (7 to 9) and upper secondary stages (10 to 12). It is regulated by the Law of Georgia on General Education. Basic nine-year education is compulsory. General education territorial management reform carried out in 2006 has been important for improving governance of general education. Instead of previously existing educational departments with double accountability (both to local and central governments), ERCs are established in each district as the MoES territorial units facilitating activities of the schools located in the district. Recruitment and training of the heads and staff of ERCs, rehabilitation and equipment of ERC buildings was carried out by USAID support through General Education Decentralization and Accreditation Program. All ERCs will be rehabilitated and equipped and staff trained in 2008.

The prime responsibility for quality assurance is with a school itself. At the national level, quality assurance and control are implemented by the MoES through the agencies under its governance: the National Curriculum and Assessment Center, National Examination Center, National Education Accreditation Center and Teachers Professional Development Center. The newly established National Curriculum and Assessment Center develops national educational curricula, which include achievement standards and recommended learning programs. These are based on the National Goals of General Education. All public and private schools are obliged to meet national curriculum goals and criteria while being free to design part of the curriculum (25%) on their own. Schools are free to choose the form and content of study within the curriculum framework but the state has the means to measure achievement and if needed can participate in improving the quality of learning. Piloting of the national curriculum started in 2005-2006 and was implemented throughout the country in the academic year 2006-2007 (in three grades). New curricula and textbooks are first piloted and then introduced in each subsequent

class. Introduction of national curricula will be complete at lower and upper secondary levels in 2008-2009 and at primary level in 2011-2012.

Important measures that have already been introduced include the establishment of the Teacher Professional Development Center, preparation of a Concept paper on Teacher's Professional Development and Preparation and introduction of amendments to the Law of Georgia on General Education laying legal basis for regulating the teacher's profession. The Teachers' Professional Development Center aims to develop standards and qualification requirements for teachers, to conduct a process of accreditation of teacher training and retraining programs and to introduce a system of teacher certification by 2008. Currently, after many years of paying predominant attention to in-service training, reform of pre-career training is regarded as the greater challenge and area where further investments and improvements are needed: pre-service teacher training programs at higher education institutions are obsolete, overloaded with theoretical issues and lacking exercises for the development of teaching skills. Therefore Initial Teacher Education (ITE) programs will be designed and introduced at Georgian universities, in the capital, as well as in regions. Crucial factor for ensuring high quality in teaching at schools is low teacher salaries thus reducing their incentives. General schools are now autonomous entities. This means schools themselves bear responsibility for establishing teacher salary rates given that they observe minimal rate recommended by the MoES. This system automatically implies that the rise of salaries will depend 1) on the amount of per capita funding available for each school and 2) on the decision of school board and management. As annual increase of per capita funding is planned, it is expected that at current teacher salaries will increase (by 72% in 2011) thus making it possible to make teacher's profession more attractive. In addition results of teacher examination and certification process will help offer better compensation to those teachers who are better qualified and accordingly raise motivation of teachers.

Planning of life-long learning (LLL) in Georgia will be consistent with the European Neighborhood Action Plan - the tool to carry out European Neighborhood Policy (ENP) of the European Union to which Georgia became a party in 2004. Support to life-long learning is one of the priorities of ENP. Development of the national strategy and action plan for LLL is currently under way. An important part of these activities will be the elaboration of National Qualifications Framework allowing translation of qualifications across different levels and forms of education not only in the country but abroad as well. At the current very initial stage several measures have already been taken to support both adult learning and non-formal educational. The recently adopted Law of Georgia on Vocational Education contains provisions stipulating the recognition of qualifications received through nonformal education. This, in its turn will encourage those who are not officially enrolled in educational institutions at any level regularly improve and update their knowledge and skills. Adult training has been receiving significant consideration and support both from the government as well as from donor agencies. Specifically several initiatives were launched for the education of minority population. A school of public administration established in 2005 provides training programs for minority population and trains about 450 public officials annually. The program helps not only capacity development among government officials but fosters civic integration of minorities." [Source: Ministry of Education and Science. Consolidated Education Strategy and Action Plan 2007-2011. Tbilisi, 2007.]

#### The financing of education

The main sources of education financing are the State budget, local budgets and tuition fees. In 1997, the share of education in the total government expenditure was 11.6%. Funds allocated to education are not sufficient to meet existing needs.

Pre-school institutions are financed by local budgets, tuition fees collected from parents and additional income earned from profit-making activities. As a measure for coping with the financial crisis, the government increased parents' contributions for food expenses in pre-school institutions, reduced staff and asked parents to pay part of the staff salaries. All primary and basic secondary schools are funded by the State budget. Part of the students (some 30%) receive general secondary education free of charge financed from the State budget. All other students have to pay tuition fees.

Some colleges are funded through the State budget, some others through local budgets while the rest are self-funded. Higher education institutions are financed from the State budget based on the number of students, and also receive special funds for institutional and infrastructure development including targeted funds. Other funding sources include: funds received through private grants and contributions; research grants awarded by the state on the basis of competition; special state-budgetary programmes designed to encourage enrolment in programmes considered as a national priority; programme financing allocated by ministries within their field of competence; any other sources of income allowed by legislation, including revenues from economic activities.

According to the World Bank, total public expenditure on education represented 2.2% of GDP in the year 2000.

[Source: WDE]

#### KAZAKHSTAN

#### Laws and other basic regulations concerning education

Since independence, the Republic of Kazakhstan is creating the new legal base of the education system. The two main laws regulating education in the country are the **Law on Education** of 7 July 1992 and the **Law on Higher Education** of 1993. These laws determine the State educational policy, the objectives and principles of education, the administrative structure, and the system of private schools. They also ratify the democratic character of the education system and the administrative and financial decentralization of educational institutions, and they guarantee the autonomy of academic institutions, colleges and secondary schools.

The Law on Education provides for the following levels of education: pre-school, secondary, vocational and technical secondary, higher and post-graduate education. Secondary education consists of three stages: elementary (four-year programme), basic secondary (five years) and senior secondary (two years). This law regulates the public relations in the sphere of education, defines the basic principles of national policy-making in this area and aims at ensuring protection of the constitutional right of citizens to education. According to Article 23, "pre-school education for 5(6)-year-olds shall be mandatory and it shall be provided in the family, preschool organizations or schools under a general educational programme. In state educational organizations, such education, consisting of three levels: basic higher education (four-year bachelor's degree programmes), four-year specialized higher education courses, and higher scientific education (two-year master's degree programmes).

New regulations have been adopted in accordance with the two above-mentioned laws, including the State standards for higher education. The **Regulations for organizing the activities of pre-school organizations** (Order of the Ministry of Education and Science No. 708) were approved on 10 July 2000. Early childhood orphanages are subject to the **Rules for Early Childhood Orphanages' Activities** and **Rules for Children's Admission and Dismissal from Early Childhood Orphanages** of 2000.

On 7 July 1999 the **new Law on Education** was adopted. The **Resolution of the Government No. 1762** on the Issues of Children's Compulsory Pre-primary Preparation states that one-year pre-primary education can be set up in general secondary schools (as pre-primary classes) or in pre-school organizations (as pre-primary groups).

According to Article 30 of the Constitution of the Republic of Kazakhstan, approved in 1995, citizens have the right to free comprehensive secondary education in State educational institutions. Citizens also have the right to free higher education in State higher education institutions on a competitive basis.

#### Administration and management of the education system

The central executive body responsible for the management of the education system is the **Ministry of Education and Science** (MES, formerly the Ministry of Health, Education and Sports). Strategic planning and funding of the education system, including the preparation of draft education budgets, are under the supervision of the Ministry.

In accordance with the Law on Education, the functions of the MES include: defining and executing the State educational policy; drafting regulations concerning State funding for education; drafting and adopting State educational standards, curricula and syllabi; preparing State orders concerning the training of specialists; providing assistance in the organization of the educational process in the Kazakh language; and establishing international agreements on educational issues.

The Ministry also supervises educational institutions funded from the regional budgets and private educational institutions in accordance with current legislation. Regional educational authorities are under the Ministry's supervision. The MES consists of several Committees and two Departments (Administration and Finance). The Committees are directly in charge of the corresponding branches. The Committee for Education is responsible for the management of the education system, the proposals on the financing of educational institutions from the State and the regional budgets, the educational standards and programmes, and the appointment of the heads of higher schools.

There are fourteen *oblast* (provinces) in Kazakhstan, further divided into a number of districts. In each *oblast* and district there is the **Department of Education** formed by the regional authorities functioning as a regional board of management in the sphere of education. These departments execute the national strategy in the field of education at the regional level and determine the amount of funds allocated to education from the regional budgets.

Regional education boards are responsible for: the establishment, organization and management of educational institutions (kindergartens, secondary schools, technical-professional schools, colleges) at the local level, and the provision of material and technical resources; the appointment of the heads of educational institutions; financing of educational institutions from the regional budget; enforcing compulsory secondary education; executing the Information Technology Programme of secondary schools.

The **Ministry of Labour and Social Protection** is in charge of the rehabilitation of children with disabilities under the Law on Social Protection of Invalids. It also finances and administers support programmes for low-income families under the Law on State Targeted Social Support of 2001. The **Ministry of Health** develops a policy of basic health services to be provided to children and their mothers, undertakes initiatives for early detection of risk groups in cooperation with oblast education departments, and manages the system of early childhood orphanages. No coordination mechanism for early childhood exists at the national level.

Article 36 of the 1992 Law on Education guarantees the principle of selfgovernment of educational institutions. The supreme organ of educational establishments is the **Council**. The organization of the educational process in technical-professional schools and colleges is under the responsibility of the **Academic Board**.

Universities, colleges and schools can define their own curriculum within the framework of State educational standards. With the approval of the Committee for Education, universities may also define the programme for students' admission.

The **Kazakh Academy of Education** is the leading research organization in the field of pedagogy, methodology and assessment of the educational process. There are two institutes within the Academy: the Institute of Higher Education and the Institute of Secondary Education.

Other relevant bodies include the Republican Scientific and Methodological Centre for State Educational Standards and Pedagogical Tests, the Republican Scientific and Methodological Centre for the Computerization of Education, and the Republican Institute for Further Qualification of Educational Staff.

The basic general curriculum for comprehensive schools has been defined and adopted, and the training of staff in the different specialties at the higher and secondary education levels has been revised. New textbooks for comprehensive schools are being published. In addition, the Information Technology Programme for secondary schools has been approved and has been implemented. According to this Programme, all secondary schools of Kazakhstan had to be equipped with computers within the period 1997-2002. During the 1998/99 academic year, computers were provided to 1,562 schools, of which 917 were in rural areas. According to the Ministry of Education., by 2003 all schools had already been equipped with computers and on average there was one computer for 57 students. Moreover, in 2003, some 1,821 schools (of which 893 in rural areas), were connected to Internet. In 2001, the programme also started to develop electronic learning materials and multimedia programmes for the upper grades of secondary school.

The on-going educational reform contains a number of measures with the purpose of changing the administrative, economic, legal, and structural and information components of the education system. Education reforms aim at: further orientating the education system to the demands of the free market economy, democratic society and individuals; preparing new educational standards, curricula and textbooks in accordance with international educational quality standards; decentralizing educational administration; introducing new information technologies in education and administration; developing different sources of educational funding.

The State Programme for Developing Education in the Republic of Kazakhstan 2005-2010 (Plan 2010, approved in October 2004) states that all children should have an equal start to education and stresses the importance of increasing access to preschool education by a gradual transition to compulsory preschool education starting from age 3+. One of the major aims of the Plan 2010 is to ensure universal access to and high quality of secondary education, as access is unequal and attendance is not universal at the (compulsory) basic and secondary levels. Another aim is the change of curriculum towards an outcomes-oriented model, which means that the new system will be based on a normative framework of expected outcomes, which substantially differs from the present content regulation, which is input-based. The competencies will be defined at three levels (general, subject-area, and subject-based outcomes). Along with this change, content

regulation will concentrate more on general competencies and nine areas of study (language and literature, human studies, social studies, mathematics, informatics, science, arts, technology, and physical education) rather than a much bigger number of subjects.

The Ministry of Education is the main provider of formal early childhood services. A small but growing number of private early childhood services are in operation. They are either formal (e.g., full-time and part-time nurseries, centres for children aged 1+ to 3+, preschool groups for children aged 1+ to 6+/7+ in kindergarten schools, pre-primary education classes in secondary schools for children aged 5+ to 6+) or informal (e.g., babysitters, nanny services). The MOES monitors the former but does not finance them.

One-year pre-primary education for children aged 5+/6+ became free and compulsory in November 1999 through the Resolution of the Government on the Issues of Children's Compulsory Pre-primary Preparation (No. 1762). The Resolution states that one-year pre-primary education can be set up in general secondary schools (as pre-primary classes or "PPE Classes") or in pre-school organizations (as pre-primary groups or "PPE Groups"). Both PPE Classes and PPE Groups are free. The half-day PPE Classes were devised to target rural children who did not go to kindergartens and did not have the opportunity to prepare for formal schooling. The enrolment rate of rural children in PPE Classes grew steadily from 48.4% in 2001 to 56.7% in 2004.

In accordance with the Constitution, the Law on Education and the Law on Higher Education private educational institutions can operate in the country. Private institutions may provide educational services only after obtaining the license from the Ministry of Education. The Ministry monitors the application of State educational standards and standards of quality of education in private schools.

Textbooks and other educational and methodological materials are basically prepared and published by the Ministry of Education. There are 333 different textbooks for comprehensive schools. One of the main tasks is to provide comprehensive schools with textbooks and teaching aids in connection with changes and modifications introduced in the system of secondary schools.

During the period 1992-1997, about 260 different textbooks and educational and methodological supplements have been published. Part of the education literature is translated from Russian. On the basis of the Governmental Decree "On targeting programmes, textbooks and other educational publications for secondary schools", it is the first time that the preparation and publication of teaching aids is considered on such a large scale, in terms both of number of titles and copies.

At the beginning of 1997, the preparation of new independent Kazakh textbooks was started, taking into account existing demands and international standards. Textbooks for Grades I-IV of primary education have been published. The authors of textbooks are leading specialists of the Kazakh Academy of Education and of universities.

The network of boarding houses does not meet appropriate conditions: 56% of pre-school boarding houses have non-standard facilities, 62% do not have dining-rooms or canteens, 61% have no water supply system, 69% have no sewerage system, 46% have no bathrooms or showers. More than 150 school buildings are in alarming shape, 1,568 need capital repair, and 43% are located in inadequately adjusted premises.

In 2002, more than 30,000 children had to travel 5 to 40 km to reach school. Access to education in rural areas is also restricted because of the poverty situation. At the same time, rural schools often operate in premises that need repairs, and the costs of

inevitable improvements are to be covered by parents. Parents also buy school uniforms, textbooks, and other learning materials, which are hardly affordable for many low-income families. The Government is carrying out the medium-term programme "Rural School", under which construction and repairs of schools in rural areas are being financed. On the other hand, many schools in cities and towns work in two to four shifts, which is a significant stress factor and can hinder learning. In the fast-growing capital city of Astana, 10% of schools work in four shifts, although the percentage of students in the third and fourth shifts is small.

The two routes to becoming a qualified pre-school teacher are either five years of pre-service training in a pedagogical institute or university, or two or three years of pre-service training in a pedagogical college. Graduates from the former can work in any pre-school or tier of secondary school, while those from the latter can work only in pre-schools or at primary level (i.e. Grades I-IV). From the current pre-school workforce 39% of the staff have higher education degrees (of which 14% have preschool specialist education), and 53% have college diplomas (of whom 41% have preschool specialist education).

In-service training is provided by regional in-service training institutes and, for educational administrators, at the central institute in Almaty. There is a requirement that every teacher has to pass regular in-service training every five years. However, the capacity of the institutes is not sufficient

[Source: WDE]

"The implementation of the national education policy is a complicated political and administrative process in which the Ministry of Education and Science (MES) and its local education departments are expected to play a key role. The network of national or republican institutes provide scientific, consultative, and organizational support. These include: the Kazakh Academy of Education named after Altynsarin, comprising the Institute of Secondary General Education and the Institute of Professional Education; the Republican Scientific Practical Center Daryn, for gifted children; the National Center for State Standards and Testing; the Republican Institute of In-Service Training for Education Management and Scientific Pedagogical Staff; and the Republican Scientific Methodological Center for Informatization of Education.

As a rule, each of these organizations is in charge of a thematic area and acts as the major policy maker within the scope of its expertise. The mechanisms and methods of coordinating the activities of the different organizations, including ministries and departments, vary from established procedures and rules (e.g., the ministries of Justice or Finance can veto a decision) to the establishment of provisional interdepartmental coordination councils and identification of leading organizations responsible for developing and implementing certain policies (for example, the Kazakh Academy of Education is responsible for implementation of the textbook preparation program).

In general, national education policy remains made at the central level by the presidential administration and ministries. They define the general principles of education management, reform strategies and priorities, and monitor the implementation of the programs. The institutions responsible for education policy development and implementation are set out in the Law on Education. MES is responsible for preparing draft official documents such as resolutions. Other stakeholders, including local authorities, may be involved in this process. Draft resolutions are prepared by MES,

under the coordination of the ministries of Justice and Finance, and as needs arise, in consultation with the ministries of Labor and Social Protection, Interior, and Information. In the past, the laws, national programs, and other education policy documents of the Government were prepared by interdepartmental working groups with little input from other education stakeholders. Public participation in education policy has mainly taken the forms of experts' meetings (representation on the various consultative bodies at pedagogical conferences, educators' congresses) and, more recently, public debates through the mass media.

Government resolutions, orders, and MES instructions are brought to the notice of *oblast* departments of education. These are seldom forwarded to the education establishments themselves. The absence of an efficient system of information exchange (such as regular publications and sufficient numbers of collections of by-laws with experts' explanations and comments) results in low awareness of legal changes among school administrators and teachers. This in turn can lead to misinterpretation of events or to legal nihilism. Currently, the information available does not allow for informed policy making, monitoring, and evaluation of policies. Data are not fully reliable, policy relevant, or timely. For example, there are no reliable statistics on dropout rates, academic performance, promotion from grade to grade, gender, migration, funding, and supply of services.

By school year 2000/01, private education institutions constituted 3% (217) of general education schools, 26% (147) of colleges and professional schools/lyceums, and 66% (112) of HEIs. Another indicator of the importance of private HEIs can be seen in the fact that, in 1999, HEIs raised about T5 billion in tuition fees, or 35% of the national budget for education. However, it is often argued that the quality of education has declined in the short run as a result of the intense and somewhat uncontrollable expansion of private institutions. With the growing number of institutions, it becomes difficult for students to appreciate the quality of instruction and the value of diplomas. This concern has required changes in licensing and certification procedures. Following the approval of the Resolution on Rules for State Certification of Education Organizations, HEIs underwent a certification procedure in 2001. A total of 60 HEIs out of 305 were certified. The process of certification aroused broad public response and MES was sharply criticized for the certification mechanisms and criteria selected, and the speed with which the entire exercise was conducted. Undoubtedly, this first attempt at certification was a political rather than professional action." [Source: Asian Development Bank. Education reforms in countries in transition: policies and processes. Six country case studies commissioned by the ADB in Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan. ADB, 2004.]

"There is no national system of teacher employment, for example, through vacancy announcements in rayon, oblast or municipal newspapers. It is the responsibility of the schools to search for and employ teachers. Fairs are organized in some regions to announce teaching vacancies, but in most cases the schools get the information about unemployed teachers from regional and/or rayon education bodies.

The low status and low wage levels (much below the average) of teachers does not attract candidates of a high enough level. As the 2003 exams show, the knowledge of entrants to teachers' training institutions is low. Another symptom of the problem is the departure of 4,000 teachers from the education system in the 1990s, when a high unemployment level was observed. Further diversification of economy would threaten both keeping and attracting quality teachers. Teacher training is focused on information-

heavy and didactic approaches instead of more complex forms and much-needed interactive training. The career structure is inadequate.

As of 2004 more than 30% of schools require major repairs: 6.4% are in very bad condition and 80% of the all buildings in bad condition are located in rural areas. About 20% of secondary schools have no classes in chemistry, mathematics, or Kazakh language, 40% lack geography classes, and 12% lack workshops. More than 30% of schools have no gymnasiums, canteens or cafeterias; only 27% of pupils are supplied with hot food.

According to Statistics Agency data, only 22% of children from the age of 3-6 had access to pre-school programs in 2003. The pre-school training enrolment has slightly improved, which now includes 63% of children at the age of 5-6 compared to 20% in the 1998. However, enrolment of pre-school children varies between rural and urban regions, and between services provided by public or private providers." [Source: UNDP. *Kazakhstan. National Human Development Report 2004.*]

#### The financing of education

Education is financed by the government, regional authorities and private sponsors. In 1997, funds allocated to education represented 3.44% of GDP.

State higher education institutions are financed from the State budget, while the majority of colleges, technical training institutions and kindergartens are funded by regional authorities. According to the World Bank, total public expenditure in education represented 2.3% of GDP in 2005.

A bulk of the financing is provided by regional (oblast) budgets, which are considered part of state financing for education. In 2000, 86.5% of the financing of secondary education was from regional budgets, and this level has been largely sustained in the following years, e.g. 83.3% in 2001; 88% in 2002; and 86% in 2003. The dynamics of regional financing for education from 2000 to 2003 is characterized by growing percentages in most regions.

[Source: WDE]

"The budget is regulated by the Ministry of Finance. According to established procedures, the draft budget is prepared jointly by the MES financial department and the Ministry of Finance budget department, and is then approved by Parliament. Decisions on the size of the education budget are largely determined by the Government's economic priorities—MES has little say in this.

While many of the education financing problems were the outcome of the severe economic crisis, a number of institutional and structural features of the budgeting and financing systems impede the efficient allocation of resources. At present, because of inherent rigidities in budget allocations, the education budget does not serve as an effective instrument for setting priorities. Government policies are not always clearly reflected in budget allocations. Consequently, the Government has attempted to move in the following direction: transition to a per capita funding system, paying due attention to the specific conditions of some regions and to small schools to which this principle should not apply in the short term; development of grants and preferential credits for institutions; encouragement of private investment in education; and transparency and accountability in financial management." [Source: Asian Development Bank. Education reforms in countries in transition: policies and processes. Six country case studies commissioned by the ADB in Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan. ADB, 2004.]

"The national system of budgets to finance education includes funds from central and local budgets. During the period from 1990 to 2000, the total allocation for education decreased significantly not only in absolute figures but as a percent of GDP. Thus, while in 1990 it was 8.2% of GDP, in 1995 it was only 4.5%. This trend continued into 2000, when it was 3.1%. The year 2003 was the first time some growth of this indicator took place, increasing to 3.4% of the GDP. Based on data from the Ministry of Finance (MOF) and Ministry of Economy and Budget Planning (MEBP), the average allocations for education from 1999 to 2003 amounted to 83% of local budgets and 17% of the central budget, not including education institutions controlled by other ministries and agencies. In 2004, based on MEBP estimates, the share of education expenses covered by the central budget will increase to 21.6% while the share covered by local budgets will decrease to 78.4%." [Source: UNDP. *Kazakhstan. National Human Development Report 2004*.]

#### **KYRGYZSTAN**

#### Laws and other basic regulations concerning education

The 1992 **Law on Education** in the Kyrgyz Republic (amended in 1997 and 2003) lays down the State education policy, the basic principles of education and the conditions for functioning of the education system. In accordance with the Law on Education, a number of legal documents on the functions of educational institutions have been adopted.

To improve the education system and taking into account growing demand for a new generation of high-skilled specialists, the programme entitled *Kadry XXI veka* was adopted by Presidential Decree in 1995. The year 1996 was declared the year of education by Presidential Decree. The objectives were to further the development of education and its adaptation to the new socio-economic conditions and speed up reforms. A new educational programme was adopted–the *Bilim*. Its basic principles are: improvement of the legal and normative basis of education; preservation of access to education; increase educational quality and efficiency; improvement of the technical basis of educational institutions; improvement of the education management and financing system; social support for students and teaching staff; integration into the world educational arena.

As a rule, children begin their education not later than their seventh birthday. Basic secondary education is compulsory and free of charge. Complete general secondary education is free of charge in State educational establishments.

#### Administration and management of the education system

Until recent years, the central executive body for State education management was the Ministry of Education and Culture, which in March 2004 was reorganized with the removal of the culture section. The **Ministry of Education** (MOE) is responsible for education policy and its implementation, education strategy development, state education standards, ensuring the right to education and equal development between regions, the introduction of innovative practices, curriculum development, state examination procedures, the training and upgrading of teachers for general education, statistical support and monitoring, and international cooperation. It also administers national institutions (some vocational and specialized secondary schools and colleges, as well as higher education institutions) and determines, according to norms, expenditure for education on behalf of local government.

The Ministry is headed by a Minister nominated by the President. The departments in the Ministry are: higher and secondary professional education; general secondary education; and pre-school education. The departments are independent structural subdivisions of the Ministry which perform executive functions and co-ordinate the State policy. The activities of these departments have been established in accordance with the Constitution. The departments are directed via decisions of: the *Jogorku Kenesh*;

Government decrees and directives; and Ministry decisions. Under the leadership of these departments, State educational standards are applied.

The six provinces (*oblast*) in the Kyrgyz Republic are divided into forty-one districts. In every province and district (*raion*), a **Department of Education** has been established by the local authorities. Provincial departments of education are responsible for secondary education, and administer vocational, technical, and higher education. District departments of education are responsible for pre-school and primary education and administer secondary education. A*iyil okmotu* (village authorities) administer their schools and are responsible for providing maintenance and materials.

The **Kyrgyz Academy of Education** (KAE) under the MOE is responsible for developing the curriculum and textbooks and learning materials in all curriculum subjects, at all grades, in the four approved languages of instruction; generating authors' manuscripts; and approving textbooks and learning materials. National coordination of teacher training is the responsibility of the **National Institute for Raising the Qualifications of Teachers and Teacher Training** (NTTI) under KAE. In oblasts, inservice teacher training is handled by a network of seven teacher training institutes (TTIs). Primary vocational education (PVE) at the senior secondary level is administered by the Department for Vocational Training and Education (DVTE) under the **Ministry of Labor and Social Protection** (MLSP), while mid-level vocational education at the postsecondary level falls under the responsibility of the MOE. Senior vocational education is also provided by other ministries and agencies, including among others, the Ministry of Health, the MLSP, the State Commission on Culture, the Kyrgyz Union of Consumers, the Ministry of Interior, and the Ministry of Transport.

Principals of state pre-schools, schools, and professional educational institutions are appointed by the State Authorities/Commissions of Education. Representatives of higher education institutions are elected by the teaching staff and upper class students. Their appointment must be approved by representatives of central educational authorities. Principals of private institutions are appointed by the founder(s).

The highest authority of an educational institution is its **Council**. Higher and secondary professional institutions and secondary schools have freedom in curriculum choice and selection within the State educational standards. Higher and secondary professional institutions also identify the demand for various types of specialist training, based on which the Ministry develops the enrolment plan.

The Law on Education recognizes the importance of private educational institutions. Private schools must obtain a license from the Ministry of Education. The Ministry of Education monitors the private educational institutions' observance of State educational standards and conformity to quality standards. Monitoring activities are based on attestations provided by the non-State higher education institutions.

Textbooks and other teaching materials are published by the Kyrgyz Publishing House. During the period 1992-1997, 144 titles of textbooks and manuals were published. For schools in which Russian and Uzbek are the languages of instruction, some textbooks have been imported from Russia and Uzbekistan. Since 1995, national authorities began the preparation of new textbooks and manuals in order to meet the requirements of modern life and the national interests of the country. The lack of computers is a matter of concern. It is estimated that only 10% of schools are equipped with modern computers. Most schools do not dispose of modern communication technologies such as e-mail or the Internet.

According to information made available by the Asian Development Bank (ADB), rural schools are dilapidated, lack learning materials and equipment, and suffer attendance problems (70% of the total population live in rural areas). Almost all schools in the country lack learning aids, including maps, didactic materials, and science models, as their provision has been discontinued since 1991 for lack of funds. In 2004, most general education schools (1,525, or 75%) operated two shifts. In addition, 105 schools with 18,109 students operated three shifts. Free distribution of textbooks to enrolled students was discontinued in 1994 due to severe constraints on expenditures. In 1999, the Government, with support from an ADB-funded project, introduced a textbook rental scheme to address the resulting problems of access to and affordability of textbooks, in particular for the poor. Eight schools offered evening classes for 1,238 working students in 2004. A total of 26 boarding schools enrolled 5,434 students in the same year, of which 873 students were without parental care and 496 disabled.

The building construction and technology of primary vocational schools (PVSs) which have not yet benefited from rehabilitation measures are based on 30-year old construction standards that are inefficient in terms of use of materials, structural capacity, and energy performance. PVS facilities continue to deteriorate because of inadequate maintenance and investment. Training workshops and dormitories are in poor condition. Most training equipment in PVS was supplied during the Soviet era and is outdated or not functioning and only displayed for demonstration purposes. Hand tools, sufficient consumables, teaching aids, and learning materials are lacking in training workshops. Most PVSs do not have computers for either administration or teaching. Facility provision to cater to the needs of students with physical disabilities is largely nonexistent. Textbooks and learning and teaching materials in use are obsolete. More than 90% of 1,100 textbook titles were developed before 1980, and less than 5% of current textbooks have been revised since 1990.

Recruiting qualified new teachers to replace retirees is proving difficult primarily due to very low salaries. Salaries for teachers and principals are usually well below the average monthly wage, and even the top monthly salary (equivalent to some US\$23.8) is below the poverty level. The Government increased teachers' salaries by 15% in April 2004 and a further increase of almost 15% was approved in October 2004, leading to a cumulative increase of 30% in 2004. However, teachers' salaries remain very low, and teachers are reluctant to undertake assignments in rural schools. Teachers also have little motivation to improve their performance, as doing so does not bring salary increases or other forms of professional recognition. A 2003 study conducted by UNICEF found that, on average, half of the needed classes in mathematics, chemistry, geography, physics, biology, foreign languages, and ICT were not conducted due to teacher shortages in rural areas. Teacher shortages often arise from the inability of the education sector to compete with the private sector in attracting personnel with such skills.

The national coordination of teacher training is the responsibility of the National Institute for Raising the Qualifications of Teachers and Teacher Training (NTTI). In oblasts, in-service teacher training is handled by a network of seven teacher training institutes (TTIs). The MOE finances in-service training conducted by NTTI, while oblast in-service training is financed mainly through oblast administration budgets. In some cases, there are limited fee-paying programmes. In other cases, oblast governments pay the training cost by allocating funds directly to TTIs, but travel, subsistence, and accommodation expenses are paid by the teachers themselves. Rural teachers cannot meet such expenses from a monthly salary of about US\$19 equivalent.

[Sources: WDE; Asian Development Bank. Report and Recommendation of the President of the Board of Directors on proposed loans and a technical assistance grant to the Kyrgyz Republic for the education sector development program. September 2007; Asian Development Bank. Report and Recommendation of the President of the Board of Directors on a proposed Asian Development Fund Grant to the Kyrgyz Republic for the second education project. October 2005.]

"Parliament exercises legislative power and the central and local administrations (governors of the seven regions, 40 districts, and 22 cities), appointed by the President, exercise executive power.

A legal framework for the reform of the civil service was passed in 1999. The main aim of the reform was to streamline the Government's organizational structure for greater effectiveness and closer correspondence with market reforms. The number of ministries was reduced from 15 to 12, state committees from 5 to 2, administrative departments from 9 to 5, and commissions from 12 to 8. Public utilities and local infrastructure have been decentralized. However, the decentralization process is hampered by a shortage of financial and human resources and by an unclear separation of powers and functions between local government and central agencies.

Decentralization of basic education management (and the simplification of management structures) was carried out between 1998 and 2000 in several stages. The main measures included the reduction of management staff at the central level by 30% and the closure of several school inspection offices and *raion* (district) education departments in several regions. While the content of education, curriculum and education program development, textbooks, and evaluation remained the responsibility of central management, the responsibility for funding, procurement of equipment and of teaching and learning materials, and the authority to recruit and keep staff were transferred to local authorities.

In January 2000, the three-tier management system (from the ministry through the regional education departments down to the district education departments) was replaced by a two-tier structure with a direct line from the ministry to the district education departments. The *oblast* education departments were replaced by education development centers responsible for teacher support and training. Most of the responsibilities of the regional education departments were transferred to district departments After one and a half years of testing, the exercise was abandoned and *oblast* education departments were restored as structural subdivisions of MoEC in August 2001. Clearly, district level authorities were not well prepared (nor perhaps willing) to assume new responsibilities. Growing discontent was voiced as regards the performance of important functions, such as collection and payment of teacher salaries and selection and placement of teachers. The limited management skills among school principals and local authorities pose a threat to the institutional changes and decentralization efforts. The learning of new tasks, organizational structures, and management mechanisms is proceeding with difficulty. MoEC's decision to modernize and democratize management styles has faced considerable resistance from within the system. The concepts of self-governance and decentralization do not easily take root and are often viewed in a negative light by

educators and, sometimes, the population at large. To many, decentralization is associated with lack of support from the central authorities and the impoverishment of education.

New education standards and curricula have been set. Nationwide competitions for the development of school programs and textbooks have been periodically carried out. Between 1991 and 2000, 251 new titles were developed and 7,527,000 copies distributed. Both core and optional subjects can be taught in schools, rendering the curriculum more flexible and geared to local needs. The core component offers a uniform education. Its purposes are to ensure students' awareness of cultural and national values and to develop the personal attributes needed by society. The optional component, developed by regional education centers, district (or city) education departments and schools, and accounting for 10% of the curriculum, satisfies special needs and interests of individual regions and communities. For example, in Issyk-Kul region, a major tourist area, the regional education departments have included two basic courses on tourism and ecology. Individual schools may also include additional education services, classes, and elective courses to reflect the demand of students and parents. Most school optional component hours have been allocated to additional language studies, computer science, and mathematics.

Cuts in state funding also resulted in reductions in teachers' salaries in real terms, and regular delays in the payment of teachers' salaries. The average teacher salary remains one third to one half of the minimum subsistence level. Because of the low salary (Som400–500 or \$10 per month), only 30% of graduates from teacher training institutes enter the teaching profession. Consequently, within the last 10 years, an increasing number of retired teachers have started working again in schools; the average age of teachers is now 45–50. The shortage of teachers is especially noticeable in basic subjects such as chemistry, physics, mathematics, history, geography, Kyrgyz, Russian, and English. Teachers have almost no opportunities for further training opportunities are limited." [Source: Asian Development Bank. *Education reforms in countries in transition: policies and processes. Six country case studies commissioned by the ADB in Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan.* ADB, 2004.]

### The financing of education

The main sources of education financing are the State and local governments. Additional funds come from enterprises, private sponsors, credits, tuition fees, etc. State-run higher institutions are financed from the State budget. However, the higher institutions general budget includes other special means (i.e. tuition fees, private contributions, etc.). Most of pre-schools, general education schools and primary and secondary professional education institutions are financed from the local budgets.

The education budget declined sharply in the early 1990s and gradually started to increase again in 1999. In real terms, education expenditure was increased gradually from US\$63.7 million in 1999 to US\$91.4 million in 2004, and was projected to increase about 2% annually in 2005–2007. By share of GDP, education expenditure has increased gradually from 4.0% in 1999 to 4.3% in 2004. Education expenditure as percentage of the national budget varied from a low of 19.8% in 2000 to a high of 22.2% in 2003 but is consistently the largest single item in the national budget. In 2005, education is to represent 4.6% of GDP (Som4.6 billion). Capital expenditure is to represent 8.5% of

education expenditure in 2005, increasing to 14.1% in 2007. Between 75% and 80% of the budget of MOE pays teachers' salaries. Allocation of the remaining amount is at the discretion of the MOE, most often for recurrent expenditures. General education (Grades I–XI) receives the majority of education expenditures (nearly 70% in 2001) and will continue to do so. More emphasis, however, will be placed upon pre-school education and vocational and technical education in the next medium term plan. Most capital expenditures are financed by donors. Another significant resource of school funding is parental contributions.

[Sources: WDE; Asian Development Bank. *Report and Recommendation of the President of the Board of Directors on a proposed Asian Development Fund Grant to the Kyrgyz Republic for the second education project.* October 2005.]

"The share o f consolidated public budget allocated to the education sector was essentially the same (20 percent) in 2000 as in 1990, and increased to 23 percent in the 2001 budget year. But in spite o f this increased level o f commitment, the share of GDP devoted to education fell by exactly half during the 1990s-from 7.4 percent in 1990 to 3.7 percent in 2000. This decline reflects the smaller size o f the public sector under the market economy. This is a lower share of GDP spending on education than in other countries in the region with the exception of Russia and Tajikistan, and is considerably below the average for the OECD. The recent National Survey of Primary Education Quality (2001) found, for example, that 80 percent of primary schools lacked a complete supply of textbooks for students, 70 percent needed repairs to school furniture, 23 percent lacked a water supply, and 39 percent lacked telephone.

Parental contributions have become an important source of financing for school maintenance, fuel, and other necessities in urban schools. Parental contributions to urban schools often exceed US\$100 per year per student. Parents also contribute to schools in rural areas, but widespread poverty means that income from this source is very limited. The reliance on parental contributions is a major source of inequity in the quality of education.

Teacher salaries, on average 857 som per month in 2001, are low in both absolute and relative terms. In absolute terms, they are only half the minimum consumption level for individuals, not to mention households. As a result, teachers lack motivation, and are compelled to work at other jobs in order to support themselves and their families. In higher education, low faculty salaries have contributed to a serious problem of corruption, with students often paying for admission and grades. This has led to a severe deterioration in the quality of education. More significantly, it has led to cynicism on the part o f employers and the public regarding the significance of higher education diplomas, except for the few institutions that have been able to prevent or control corruption." [Source: World Bank. *Kyrgyz Republic Public Expenditure Review*. Volume I, Report No. 28123-KG, March 2004.]

# MONGOLIA

#### Laws and other basic regulations concerning education

In the Education Law, revised in 1995 and amended in 2002, the articles of socialist ideology were deleted and new educational goals and principles, which enable the people to voluntarily participate in changing the society, were proclaimed. The fundamental assumptions of education stated in this law reflects the principle of equality in education: "every citizen has equal rights to his or her education, regardless of race, ethnicity, nationality, sex, religion, social status, and economic condition"; "compulsory education is provided to everyone of school age free of charge." Furthermore, "education shall be humanistic and democratic, universally available and continuing." These provisions state that Mongolia must gear towards a public education system grounded upon equality in educational opportunities.

Since Mongolia chose the democratic and market-oriented system in 1990, one of the most important tasks has been the development of a new legal basis for education.

To this end, several new legal acts, such as the **State Education Policy**, the **Education Law**, the **Higher Education Law** and the **Primary and Secondary Education Law** were adopted by the Parliament. These laws defined policies of democracy and openness in educational administrative structures; decentralized the administration and financing of all public schools; transferred the management of schools to local governments in the *aimaks* (provinces); increased the autonomy of colleges and universities; and enabled the establishment of private educational institutions.

The State Education Policy defines education as a priority sector of the society, as well as an important source of rapid growth of scientific, technical, economic and social development. In addition, for the first time the importance of non-formal continuing education for all is recognized.

According to current legislation, compulsory schooling covers primary and lower secondary education (eight years of study for pupils aged 8-16). Education is free of charge at the upper (general) secondary level (Grades IX and X).

### Administration and management of the education system

The central education authority in Mongolia is the Ministry of Science, Technology, Education and Culture (MOSTEC, now the **Ministry of Education, Culture and Science**). The function of the Ministry is defined by law as the promotion and dissemination of education, science and culture.

Nearly all publicly financed education is subordinate to or under the supervision of the Ministry. The administrative fields of the Ministry include not only pre-school, primary, secondary, vocational and higher education and educational research, but also cultural and scientific affairs and non-formal education as well. In accordance with the Education Law, the main functions of the Ministry of Education are as follows: to organize and ensure nationwide implementation of legal mandates for education; to develop a comprehensive and suitable system of education for all, including non-formal education; to co-ordinate the activities of those organizations offering various training programmes and providing professional help; to organize and provide in-service training for all educational personnel, putting forward the issues related to social benefits for teachers.

The Ministry provides guidance and advice as well as financial assistance for the operation of local public and private educational institutions. It defines policies with regard to education, science and culture and it is responsible for the implementation of these policies. In addition, the Ministry publishes and approves textbooks and curricula and provides support for the supervision of local educational centres and national universities.

The Ministry is headed by the Minister who is a member of the Prime Minister's Cabinet. He is assisted by the State Secretary. The Ministry is divided into four main departments which are the main providers of policy and planning guidelines and public administration and civil service management, namely: the Department of Policy Development and Strategic Planning; the Department of Public Administration Management; the Department of Performance Co-ordination of Policy Development and Planning; and the Department of Monitoring and Evaluation.

In Mongolia there are twenty-one *aimaks* (provinces), each of them further divided into a number of *sums* (districts). In every *aimak* there is an *Aimak* Social Policy **Department** within the local government which serves as the central educational authority. These Departments are responsible for the administration and management of government services relating to formal and non-formal education. The provincial governments are responsible for: co-ordinating activities in implementing the nationwide education policy at the *aimak* and *sum* levels; administering, managing and establishing kindergartens and general secondary schools; appointing or discharging school principals; financing kindergartens, primary and secondary schools; organizing actions for providing compulsory basic education for all children; issuing local acts, laws and regulations and implementing related monitoring and evaluation activities.

At all levels, from kindergarten to universities, there is self-governance. The management committee of the school (**School Board**), consisting of teachers, students, parents and representatives of the local community, is in charge of managing and monitoring all affairs related to the school.

The administrative authority on education has been transferred from the central government to each educational institution and to the local governments. This transfer of powers is even more pronounced at the higher education level, where universities now have more autonomy than ever and to the extent that they can equally participate in the decision-making process along with the Ministry of Education.

For example, a university can directly consult with the Ministry of Education regarding its own budget, and can secure its own fund sources out of: revenue from

tuition fees; research grants from public organizations and business; and technical assistance from international organizations.

All kindergartens are publicly subsidized and pre-school education is not compulsory. The Education Law states that kindergartens may admit pre-school children who have reached the age of 3. Actual places in kindergartens are not sufficient to cover existing needs and only 20% of children in the age group 3-7 years are attending.

The Education Law prescribes pre-school education to be included in the general educational structure. In accordance with the law, the nursery school is an organization designed to provide day-care for children less than 3 years of age, and it is to be of three types, namely ordinary, caring, and for orphaned children. Accordingly, nursery is viewed as a non-educational organization generally designed to provide child day-care and is under the supervision of the Ministry of Health. Since the 1990s it has been conceived that it is more appropriate to bring up young children aged 0-3 within the family, under parents' care; therefore, a policy has been introduced to enable mothers take care of young children under 2-years-old, while receiving child home care allowance from a social pension fund. However, only child care centers for orphans and sanatoria are available and are financed by the state.

By Resolution No 46, of April 1995, the government established a National Programme on Preschool Strengthening. It set out, in some detail, the government's intentions for development of pre-school education. The Resolution included an ambitious implementation plan for the period 1995 to 2000. This programme aimed at creating a favorable preschool education structure appropriate to both nomadic and sedentary populations; supporting nongovernmental preschool education institutions; improving curriculum, methodology, and provision of training facilities; supporting family education of preschool children; and strengthening skills of preschool educators to meet modern requirements. At that time, the key institutions providing pre-school education were nursery schools (ages 0-2) and kindergartens (ages 3-7). The main policy was "kindergarten-centered", and the government fully financed kindergartens. With the start of transition to market economy in 1990, along with decrease of economic capacity of the country some difficulties have begun to occur in the educational sector. In the early 1990s, the number of day nursery schools for children aged 0-2 fell significantly due to local government budget deficits. The number of children in kindergartens fell substantially and about 2,000 kindergarten teachers lost their jobs

The National Policy on Integrated Early Childhood Development (IECD) has been adopted and endorsed by the Joint Order of the Ministers of Health, Education and Labor and Social Welfare in April, 2005. This policy aims at improving and strengthening the inter-sectoral collaboration and coordination in early childhood development. The objectives are to creating and developing an integrated management of ECD social services as well as the availability, accessibility and quality of services. The policy highlights the roles of everyone in the early childhood development including, specifically families, parents as well as public and private sectors. Within the framework of implementation of the policy different initiatives are coming up with grass root implementation, like early childhood outreach system with mobile teachers, family empowerment strategies, community-based action, etc. The policy also stresses the importance of better preparedness of children for schooling and gives the directions to strengthen this component of child development.

One important result of the 1990s education reform was the approval of legislation enabling the establishment of private higher education institutions. The Education Law of

1995 states that education in Mongolia shall be based on different properties, public or private.

The first of these institutions was founded in 1991. Since then, forty-six private higher education institutions offering sixty specializations were established. They enrol around 11,800 students, that is 27% of the total number of students enrolled in higher education institutions. By 1996, 490 full-time teachers and 671 part-time teachers worked at these institutions. Most private higher education institutions are located in Ulaanbaatar, the capital.

The Ministry of Education gives operating approval to these institutions, sets the standard of private higher education, evaluates students' achievement and also deals with different activities to improve teachers' professional background and teaching methods. The Ministry provides support to find or rent school facilities. Students in private higher education institutions have also been involved in various aid programmes granted by the government.

However, clear-cut government policy, guidelines and legal provisions on the private education sector and mechanisms to evaluate their academic programmes and progress are urgently needed.

Textbooks and other instructional materials are published and printed with the approval by the Ministry of Education, according to the national policy on education. The printing of all textbooks for primary and secondary schools is financed from the government budget. The total number of textbooks used in primary and secondary schools is 107. Every year the government allocates around 100 million *tugrics* for textbooks.

Textbooks are prepared by subject matter specialists from the National Institute of Educational Research, universities, the Academy of Sciences and experienced teachers contracted by the Ministry.

Education facilities in secondary and primary schools are outdated, often in disrepair, and budgets for maintenance and renovation are totally inadequate. Improved facilities, better instructional materials and teaching resources, better scientific equipment and considerably improved libraries are urgently needed. New principles for sharing of textbooks by students were introduced in 1997. Textbooks are kept at the school library and loaned to students free of charge.

Primary and secondary education teachers are recruited by the principal of the school where the teacher wishes to work.

The salary scales, types and amounts of allowances for teachers are determined by the Salary Scheme for Governmental Service Servants, approved by the government. Besides the main salary, teachers get rewards or additional pay according to their quality of work. Salaries of private school teachers are determined by the owners of respective private schools.

There are some benefits, such as medical care expenses, illness allowance and annual leave (forty-eight days). On retirement teachers who have worked during twentyfive years have an additional pay equivalent to their one-year salary amount. In addition, the tuition fee of one child to study at a higher education institution is paid by the government.

Primary school teachers are mainly female. Higher education teachers are typically male, over 40 years of age, and trained under the previous socialist system.

In-service teacher training strives to: help improve educational expertise; enhance the quality of teaching; establish a desirable view of the teaching profession; introduce new changes in teaching policy and school curriculum; and encourage the sense of commitment to the teaching profession. In-service teacher training is funded from the State budget.

The curriculum for in-service training is developed by the State Pedagogical University and the National Institute for Educational Research. In addition, many teachers undergo in-service training abroad within the framework of international projects and assistance.

[Source: WDE]

"A teacher's salary in Mongolia has three main components: a base salary, salary supplements, and bonuses. The data documents significant differences in the income of teachers in urban and rural schools in regards to base salary and several salary supplements, with urban teachers earning significantly more than rural teachers. The reasons for this are: (a) the base salary of teachers is solely based on a teacher's experience and there are more experienced teachers in urban schools than in rural schools; and (b) many of the salary supplements favor teachers in schools with larger student populations and urban schools are overwhelmingly larger than rural schools. Because the base salary and salary supplements form the majority of a teacher's monthly income, overall teachers' incomes are much higher in urban schools. At the same time, costs of living are larger in urban than in rural areas so the purchasing power of teacher salaries differs less across urban and rural teachers.

A majority of teachers reported receiving some type of non-monetary benefit from their school. This type of benefit is not regulated. It was found to be more common in rural than in urban schools as it appears to be driven by the need to provide housing for teachers in rural areas. Other non-monetary benefits include support to participate in teacher training, a fund for times of emergency, employment for family members, and food. Non-monetary benefits can play a role in attracting and retaining teachers in rural areas. The system by which the school administration awards bonuses and makes deductions from a teacher's salary is not entirely clear. Principals, education managers and — in the case of urban schools — social workers, have the authority to award bonuses to teachers and deduct from a teacher's monthly salary based on performancebased contracts. While a majority of schools report using performance-based contracts, the data reveal that most bonuses are not awarded based on these contracts. Instead, schools continue to use the more traditional way of awarding bonuses based on students' performance. Criteria by which deductions are made are not entirely clear to teachers.

Seventy-four percent of all sampled teachers reported earning income from afterschool activities. These activities may include private tutoring, preparing students for exams, and organizing clubs. No significant differences in the likelihood of teachers in urban or rural schools to engage in after-school activities were observed. However, there was a significant difference in the amount of income teachers receive with the difference favoring teachers in urban schools. The difference is most likely attributable to the larger student populations in urban schools and the higher disposable income in these areas. This may act as an additional incentive to teach in urban areas.

There are five salary levels set by the GOM. After 25 years of service, teachers are expected to retire. The size of salary increases is decreasing in years of experience. There are also incentives for teachers to remain in the teaching force. Teachers with more than 25 years of service are eligible for retirement, but nevertheless remain in the labor force and represent 15 to 17.8 percent of a school's teaching force. Monthly pension payments are too low to encourage senior teachers to retire and quit teaching, and teachers can

"retire" and receive monthly pension payments while continuing to receive income from teaching. Salary supplements for teachers were introduced in Mongolia in 1995. At that time, it was a means to selectively target pay increases for teachers while avoiding an overall salary increase for all civil servants. However, the GOM has continuously issued salary increases for all civil servants, including teachers, since 1996. Because of salary supplements, increasing the salaries of teachers has less impact on the state budget, as only the base salary is increased. The greatest increase in recent years was in 2004 (25 percent total increase: 7.5 percent increase in base salary and 17.5 percent performance-based increase); and in 2005, the Government issued another salary increase of 7.5 percent for all civil servants.

The duration of the school year in Mongolia is 34 weeks. By law, all civil servants work a 40-hour work week. In the case of teachers, only 19 of these hours are required to be spent in a classroom, and the other 21 hours are spent conducting school and relevant teaching preparation work. Some schools, in particular rural schools, are not able to hire full-time teachers under the current regulation in part because the 19 hour teaching workload can not be met due to the small numbers of students in these schools (this is particularly the case for subject specific teachers, such as chemistry or physics, at the lower and upper secondary level). Teachers receive this supplement if they go over their required 19 hours of teaching per week. This supplement primarily benefits teachers in urban schools with high enrollment numbers. These schools accommodate large student populations by creating several shifts of students per day, enabling teachers to teach more than 19 hours per week.

There is a promotion scheme consisting of three ranks above that of a regular teacher: (a) methodologist (leader of a subject matter at the school); (b) lead teacher (mentor of the methodologist); and (c) advisor teacher (honor signifying teacher is an expert in the field). Teachers receive a salary supplement based on their rank. For example, achieving the rank of methodologist increases a teacher's total income by 5 to 15 percent of their base salary relative to regular teachers with the same level of experience. Similarly, achieving the rank of lead teacher and advisor teacher increases total income by 10 to 20 and 15 to 25 percent of their base salary relative to regular teachers, respectively.

A unique feature of teachers' incomes in Mongolia is that the school administration can make monthly deductions from a teacher's base salary or salary supplements. Deductions from base salary are serious and are only made for teacher absences, tardiness or drunkenness. By contrast, deductions from salary supplements are fairly common. A teacher's income could vary significantly from one month to another depending on the frequency and amount of deductions. It is important to note that we were unable to obtain information regarding deductions from teachers' salaries from the salary disbursement forms. The salary disbursement forms only list traditional tax deductions and do not list deductions made by the school administration. This suggests that the process of making deductions is not transparent for teachers, and that there is no reliable information at the provincial or central-level about the frequency or size of these deductions.

Until 2005, the Ministry of Education, Culture and Science (MECS) printed textbooks for the main subjects in sufficient supply to cover the estimated number of incoming students. Students received textbooks free of charge and were required to return them upon graduation. In school year 2005-2006, the textbooks supply policy was modified. Schools were given the option to choose from several options of textbooks, and all children except those from very poor families (as determined by the school social workers) had to pay for the textbooks. No systematic assessment has been carried out on

the effects this reform had on access to textbooks by children from disadvantaged families." [Source: World Bank. Mongolia. *Public financing of education. Equity and efficiency implications*. Report No.: 36979-MN, September 2006.]

"Key elements of the political transition process since 1990, as the country moved away from the centralized Soviet-era approach, were decentralization and public administration reform. The legal basis is laid out in the new constitution, the Law on Provincial Administration and Governance, 1992; the Civil Service Law, 1993; the Public Administration Project, 1994; the Mongolia Development Concepts, 1996; and Government Resolution No. 38, 1996: State Policy Toward Government Strategy and Structural Reforms. They aimed, in particular, to strengthen the roles of local administration in education, health, culture, and social welfare.

The most important component of the decentralization of administration has been the strengthening of local self-governing capability. Functions previously concentrated at the central level have been decentralized and delegated. Accordingly, in terms of education, the roles and responsibilities of the central education authority have been reshaped and a new structure, by which the ministries become policy-making, instead of executive, bodies, has been implemented. The constitution reserves some powers to provinces not specifically granted to the central Government. *Hurals* have legislative responsibilities at the provincial and local levels. The Government is implementing the Public Administration Reform Program, giving local municipal governments control of their own budgets, and is committed to increasing self-financing capabilities for the development of provincial infrastructure by establishing cost-recovery mechanisms. However, local governments lack human resources and managerial expertise to deliver services effectively, particularly in accounting and auditing systems.

Amendments to the Education Laws approved in 1998 and 2000 moved decentralization a step ahead by setting out licensing requirements and expanding the rights and responsibilities of institutional management boards and founders (in the case of private institutions). With regard to higher education, the amendments were aimed at setting the types and levels of institutions.

Mongolia started its education reform following a top-down approach. The process for creating a legislative framework and circumstances for introducing democratic mechanisms, administrative decentralization, and for improving independent activities of local administration and education institutions began only in 1995. Due to these changes, the role and duties of MECS have evolved. Shifting away from direct administration and involvement in decision making related to operational activities of education institutions, MECS has become more of a policy and strategy-planning agency with the duties of providing leadership, coordination, monitoring, and evaluation. MECS is responsible for the implementation of national education policies, programs, and standards. At the local level, government policies are implemented through local governors of *aimags*, *sums*, and city districts. The Government and ministers report directly to Parliament while local governors report to the local citizens' representative meetings.

The process of education decentralization is continuing. The Education Law established the Education Research and Methodology Institution and local branches (or education centers) in *aimags* and cities. The Institution is conducting basic and applied research in education development and providing information for all schools and citizens. Its local branches give professional assistance to kindergartens and schools, providing

their managerial staff and teachers with information in theory and methodology, and assisting in supplying education-related information and materials.

The responsibility for establishing, licensing, and administering primary and secondary schools and kindergartens was transferred to *aimag* and city governors, while similar responsibilities for professional and higher education institutions were assigned to MECS.

The education laws allow non-government education institutions at all levels of education; and government and non-government education establishments can also compete in the market place. Thus, new privately owned kindergartens, schools, and colleges have been established. With the growth of the private sector, the burden on government education institutions has become lighter; students can choose their school/institution and program, based on their finances, time resources, and employment possibilities.

Some constraints to decentralization and privatization of education, peculiar to the initial phase of transition, persist, for example: managers and administrators have been reluctant to make decisions and waited for instructions from above or exercised outdated practices; the frequent changes of central government, accompanied by changes of local governments and education administration levels, interrupted implementation of decentralized decision making; many private schools and institutions were established and operated not for the main purpose of providing education services but to make a profit, taking advantage of an inadequate legal basis for the regulation of non-government education institutions; and the delegation of power to local authorities were carried out without proper training of staff in human resources or in financial management.

MECS set up a Monitoring and Evaluation Department in June 1997.7 The Department is responsible for monitoring the implementation of laws, policies, and objectives as defined in the Government Action Plan, and for the enforcement of rules and regulations within the education sector. The Department carries out monitoring by collecting, processing, adjusting, and analyzing data using a well-defined set of indicators. Performance indicators of secondary school activities were approved by MECS Ministerial Decree No. 87 in 1994, while Decree No. 34 approved kindergarten indicators in 1998. Problems have been encountered in analyzing these indicators that differ from commonly used international performance indicators. Eighteen core performance indicators were developed and used in the Education for All assessment.

The legal framework for increased participation transferred rights and responsibilities of the major stakeholders and interest groups to school management boards. These boards, comprising representatives from students, teachers, graduates, stakeholders, parents, and others, have the right to (i) appoint and dismiss the director; (ii) approve or disapprove development policy, program, and charter; (iii) decide on organizational structure and staffing; (iv) approve annual budget allocation and monitor its spending; (v) approve fees; and (vi) discuss operational reports of the organization. Democratization of education administration is also proceeding through improvement of stakeholder participation, with the establishment of boards/councils with representatives of founders, teachers, students, alumni, and parents, helping guarantee the autonomy of education institutions. While decentralizing education administration, the Government maintains the right to issue licenses and register education organizations to ensure that basic requirements for education service provision are met." [Source: Asian Development Bank. Education reforms in countries in transition: policies and processes. Six country case studies commissioned by the ADB in Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan. ADB, 2004.]

"Mongolia is a unitary political system divided administratively into 21 provinces (*aimags*) and the capital city (Ulaanbaatar). The provinces are divided into 331 districts (*soums*), which in turn are divided into 1,517 subdistricts (*bag*). The capital, Ulaanbaatar, is divided into nine districts (administratively equivalent to regions), which are subdivided into 117 subdistricts (*khoroos*) (administratively equivalent to communities). The average number of regions per province is 18, but the number ranges from about 14 to 27. In late 2004, the Government has developed a draft Action Plan, which will guide administrative consolidation plan that will create five regions, each with selected cities that will function as growth pillars. Even though the constitution provides local governments with a great deal of autonomy (for example, they may make independent decisions in relation to socioeconomic issues), in practice their autonomy is curtailed severely. Most local governments lack the capacity to raise revenues and therefore depend heavily on transfers from the central government.

To enhance the efficiency and effectiveness of its services, the Government has adopted a comprehensive public sector reform strategy relying on a new contract-based system to achieve enhanced accountability, governance, fiscal management, and professionalism. The approach is embodied in the Public Sector Management and Finance Law (PSMFL), which parliament approved in June 2002 after extensive debate and which has been implemented gradually since January 2003. The Government envisages the existing system of public administration as being replaced by the new contract-based system. The main challenge inherent in this approach is that public administration in Mongolia is characterized by informal markets and arrangements; that is, although elaborate rules and regulations govern the management of public finance and public personnel administration, informal practices diverging significantly from these rules and regulations are the norm. A contract-based system relies on a strong, rules-based government and robust markets, conditions that will require a substantial amount of time to develop in Mongolia.

According to the Civil Service Law (1994, 2002), government employees are organized into four broad classes: political, administrative, special, and support. Political posts include policymaking positions filled by political appointees after a change of government, such as the president, the prime minister, ministers. Local governments also have political posts, including the chairs of presidia of provincial and Ulaanbaatar assemblies. The mayors of regions, districts, cities, and towns may be considered political posts by law.

Local governments have their own legislative and executive branches. Local assemblies may be viewed as local parliaments, and governors may serve as the executive. Local governments have a degree of autonomy to manage affairs within their territories, as stated by the Law on Administrative and Territorial Units and Their Governance (1992). Local governments are responsible for providing education and health care; developing culture, art, and science and technology; and protecting historical and cultural sites, natural resources, and the environment. Local governments have the right to make policies in relation to the supply of water and electricity and to implement such policies in cooperation with concerned bodies; to involve organizations and citizens in protecting the genetic sources of livestock; to introduce veterinary and sanitary control; to prevent the spread of infectious and parasitic diseases; to build, restore, and maintain roads and bridges; to collaborate with law enforcement agencies to prevent and deal with crime; to regulate labor contracts among citizens; to assist lower-income groups; and to improve housing conditions." [Source: Asian Development Bank. *Governance: progress and challenges in Mongolia*. ADB, 2004.]

### The financing of education

Sources of financing mainly consist of government and local budgets and students' tuition fees. The share of education in total government expenditure decreased from 26.2% in 1992 to 16.2% in 1994, despite the commitment of the government to maintain it at the level of 20% (as established in the Education Law of 1995). In 1995 the education share increased to 19.4%.

The criterion by which the government allocates funds to schools is the educational expenditure per student, although such a system of allocation puts rural small-scale schools in a disadvantageous situation. Kindergartens are financed by local budgets, tuition fees collected from parents and additional income gained from their profit-making activities.

All general secondary schools and universities are State-owned and funded through the State budget. However, there are some newly established small-scale higher education institutes which offer bachelor's degree courses, subsidized by their owners and by tuition fees. In addition, tuition fees introduced since 1991 are the other major source of financing for public universities.

The geographic and environmental background of the country is reflected in educational expenditure. Winter in Mongolia is long and bitterly cold, so the heating and fuel costs are particularly high. The vast land, with relatively low population density, makes for the inevitability of school dormitories, requiring large expenditures on food and administration. Kindergartens spend more on meals, staff salaries and administrative costs, while secondary and primary schools spend more on students' scholarships and heating.

To cope with the financial crisis, the government has lessened the financial burden on schools by increasing the parents' accountability for: food expenses in the kindergartens; the dormitory charges for primary and secondary schools in rural settings; and charging tuition fees beyond secondary education. As a result of the crisis, enrolment dropped at all levels, particularly in remote rural areas. A number of schools have been closed down due to a shortage of electricity, lack of heating, or financial constraints. At the moment, the promotion of other sources of financing such as the private sector and community partnership shows limited results. International financial assistance to support the development of education in the country is mainly provided by the Asian Development Bank, the government of Denmark and UNICEF.

According to the Asian Development Bank, State education expenditure amounted to 7.9% of gross domestic product (GDP) in 2000. Local governments, especially at the province level, play a dominant role in financing education, accounting for 68.7% of total public education expenditure (the remaining 31.3% is allocated from the central government budget). In 2000 the share of public funding among the sub-sectors was as follows: pre-school education, 17.6%; primary and secondary, 48.8%; vocational education, 2%; and higher education, 17.8%.

"Although education's share of the total government budget fell to a low of 16 percent in 1997, by 2000 it had recovered to 18 percent (about 7.6 percent of GDP). The Public Sector Finance and Management (PSFM) Law that was adopted in June 2002 enacted in 2003 was meant to enhance the transparency and efficiency of public spending and had important implications for the education sector. The following are specific ways the education sector was affected by the new law: (a) by centralizing the financial management system, it limited schools' use self-generated revenues; (b) it restructured the budget process, introducing further checks throughout the system and strengthening the controlling role of central authorities; (c) it introduced performance-based contracts for all civil servants including teachers; (d) it reorganized the responsibilities of provincial officials in charge of budget approval and disbursement, shifting power away from the Ministry of Education and to the Ministry of Finance; and (e) it eliminated cross-sectoral reallocations of the budget after approval, allowing only re-allocations among schools.

School finances in Mongolia are planned through a funding formula, but policy practitioners are not satisfied with its ability to meet schools' needs in an efficient and equitable manner. Recent attempts to make school management more efficient without taking into consideration the equity variable were not successful. In the 1990's, there was a government effort to close and consolidate small schools in remote locations. In the late 1990's, school dormitory fees were introduced. These reforms may have limited the access to schooling of remote, marginal populations. The challenge to make small, rural schools more efficient in producing quality education remains.

The funding formula distinguishes between variable and fixed spending. Variable spending is proportional to projected student enrollment, while fixed spending is estimated from past expenses. Variable costs are based on regional criteria established annually by the government. In addition, *aimags* (there are 21 aimags or provinces in Mongolia plus the capital city of UB) do reallocations to compensate smaller schools.

There is significant variation in the composition of expenditures across schools. Small, rural schools spend more on dormitory food while larger schools that serve multiple shifts spend more on staff salaries. Staff salaries represent the largest spending item for all schools. The Mongolian education system requires subject specific teachers in secondary schools and there are few primary schools with multi-grade classrooms. This imposes costly constraints on schools with small enrollments. Other factors that explain the different composition of spending between urban and rural schools are: (a) rural schools have a greater proportion of low income families and are less able to rely on community resources; (b) rural schools face higher transportation costs for their staff to attend workshops and meetings at the aimag center; (c) many rural schools have less access to public services and less efficient infrastructure; and (d) low student enrollment in rural schools results in under utilization of school buildings, and this makes it more costly to heat the remaining rooms in the winter.

Provincial reallocations between schools correct some of the imbalances in resource allocation, but they create inequities across regions. Provincial reallocations through micro-coefficients were created to allow for corrections to school funding based on school size and responded to concerns that the funding formula had negatively impacted small schools. Every school in the country is assigned a micro-coefficient. Because reallocations based on micro-coefficients are done at the provincial-level and depend on the average school size in each aimag, they introduce disparities across aimags. However, the formula is not used in Ulaanbaatar (UB) and there has been no effort from authorities to enforce it. Rather, UB schools submit their budgets based on their needs and past expenses without providing specific information on enrollment numbers. This means that, in practice, there is not a uniform treatment of the issue of school financing across the country.

Schools and the local and central governments interact at different stages of the budget process and it is likely that the formal and informal rules around these interactions affect the final allocation of resources across schools.

Education financing was re-centralized in 2002. As a part of recentralization, the tasks of consolidating school budgets and preparing the sector's budget proposal were assigned to MECS, and budget disbursement was assigned to MOF, through a newly created Treasury Office. However, a parallel and different process exists in the capital city, UB. In 2002, the responsibilities of budget preparation and disbursement were divided between line departments of the Ministry of Education, Culture and Science (MECS) and the Ministry of Finance (MOF). Representatives of these two ministries were placed in the aimag centers. This was well received by almost all of the schools interviewed. A surprising finding is that, although UB is not excluded from the new regulation, education financing operates under a different institutional structure in the capital. One agency, the Treasury Office within the MOF, continues to handle both budget preparation and disbursement, reducing the checks and balances in the system. In addition, the 2002 reform included other changes that aimed at making the budget process more efficient and more transparent. For example, the practice of cross-sectoral reallocation by aimag governments was suspended. Furthermore, measures were taken to improve transparency and accountability at the school, aimag, and central-level. A new State Inspection Agency that reports directly to the central government was created. Lastly, schools were required to consolidate all their accounts into a single one.

Across the country, schools request more money than what they are entitled to based on the funding formula. They also request more money than what eventually gets approved. At approval stage, all schools experience a cut. In proportional terms, the magnitude of this cut does not differ much across schools of different sizes and across urban and rural schools. Later in the process, there are only small changes between approved and disbursed budgets. Although small, they are slightly larger for urban and for large schools. Finally, changes between disbursement and expenditure are minor, except for small schools that experience a cut. Overall, the changes observed through the budget process are small in magnitude and this can be in part a result of close collaboration between school accountants, who prepare the budget, and provincial finance officers, who submit the budget for approval.

In 1998, the government required schools to use the funding formula as a guideline for their own budget planning. Based on estimations of student numbers16 and inflation rates, MECS and MOF propose an annual per-student budget every fiscal year which is called the *normative mean*. Normative means differ regionally and Parliament approves them every year. Normative means apply to the variable cost component of the education budget. The goal of normative means has been to correct for disparities in school spending that arise from differences in location. The criteria for establishing different normative means have changed considerably since 1998. For example, in 2000 and 2001, seven different normative means were used to balance the inequality between urban, semi-urban and rural schools based on the distance between a school and its closest city. Starting in 2004, normative means were established based on four financial zones: Western, Khangai (Midwestern), Central and Eastern. Zones were defined based on distance between each aimag (not each school) and UB under the reasoning that

transportation costs are proportional to distance from the capital city. The Central zone comprises the largest number of aimags and is very heterogeneous both in terms of school size and school quality." [Source: World Bank. Mongolia. *Public financing of education. Equity and efficiency implications*. Report No.: 36979-MN, September 2006.]

"The distance between the school and the central urban area has become the main criterion for budget allocations. This change in the financing mechanism encourages schools to retain enrollment levels and contributes to decreasing dropout rates. Yet, in spite of the benefit for rural schools, such a mechanism has been insufficient and many schools in *sums* are still in danger of closing due to lack of funding.

In-service teacher training stands as a separate budget section in the Annual Budgeting Law approved by Parliament. As a result of management decentralization, a voucher system has been introduced for in-service teacher training within the framework of a new, school-based training system. Teachers are provided with vouchers that enable them to choose from among the various programs offered by different local and central training providers. MECS distributes budgeted resources to aimag and city ECCs, which in turn distribute vouchers to schools based on a needs analysis. The ECCs also coordinate different training activities. Until now, local authorities have been largely responsible for voucher coordination, but with improvements in information technology the teacher training voucher system will be handed over to schools. In-service teacher training activities have shifted to the more advanced system of providing the schools' local authorities with their choice of training, based on identified needs. However, the local authorities and schools are not well enough prepared to provide a proactive training program necessary to meet the needs of teachers and, consequently, the vouchers are sometimes used inappropriately." [Source: Asian Development Bank. Education reforms in countries in transition: policies and processes. Six country case studies commissioned by the ADB in Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan. ADB, 2004.]

# TAJIKISTAN

### Laws and other basic regulations concerning education

"Article 41 of the 1994 Constitution (amended in July 2003) states that every person has the right to education37, and basic general education is compulsory. The state guarantees access to free basic general education (grade 1-9) in the state educational establishments. It also guarantees free education for students in the upper secondary education (grade 10-11), professional, vocational and higher education in the state educational establishments. Most students are in public educational institutions and nearly 90 percent of total students in Tajikistan are in general education (including primary, basic, general, gymnasium, lyceum, and special education). The Ministry of Education is currently drafting a new law on education that aims at reforming the education sector to reverse the declining education trend and improve outcomes." [Source: World Bank. *Tajikistan. Public Expenditure and Institutional Review*. Volume I, Report No. 34891-TJ, December 2005.]

"The relevant Legislation in the field of education includes: the Law of the Republic of Tajikistan "On Education" adopted on 27 December 1993 and subsequent amendments, the most recent one adopted adopted on 17 May 2004; the Law of the Republic of Tajikistan "On Primary Vocational Education" adopted in 2003; and the Law of the Republic of Tajikistan "On Higher and Postgraduate Professional Education" adopted in June 2003." [Source: Ministry of Education. *National Strategy for Education Development of the Republic of Tajikistan 2006-2015*. Dushanbe, August 2005.]

## Administration and management of the education system

"The Ministry of Education is responsible for the realization of state policy and the coordination of actions related to Education for All (EFA). The local authorities (khukumats of towns, oblasts and rayons) are responsible for: carrying out state policy in the field of education; developing and carrying out programmes that are attuned to the socio-economic, cultural, demographic and other peculiarities of the area under their jurisdiction.

The Ministry of Education (MOE) is at the apex, dictating policy, plans, standards and procedures for the lower levels of the system. The city/oblast departments of education are the intermediary structures; the rayon departments of education are the management structures that have the closest contact with education institutions. It should be noted, however, that relationships between the structures are characterised by dual accountability systems. For example, the head of an oblast department is appointed by the oblast khukumat, but is accountable for her/his work to the MOE. Managers at all levels, including school directors, thus have to report to a variety of structures; according to several of the persons interviewed, this complex network of relationships requires considerable diplomacy on the part of education managers. It is important to note the existence of a level of authority over education policy that exists above the MOE. The President of Tajikistan, the Executive Office of the President and the Tajik Government ultimately control the system of education. The Deputy Prime Minister coordinates the spheres of education, health and social protection (Ministry of Education, Ministry of Health, Youth Committee, Sport and Tourism Committee, Committee on Women's Affairs, Committee on Religion).

The Department of Science and Education in the Office of the President coordinates all the institutions of science and education, and submits issues concerning legal aspects of education for consideration by Government. It controls the implementation of legislative acts, government decrees and orders of the President. There is also the State Council in the Office of the President, which deals with science, education, social issues, information and culture. In the State Council there is a main counsellor and a counsellor, who coordinate education-related issues.

It should be noted that the MOE also has key responsibilities for direct management of other aspects of the education system. For example, in addition to setting curriculum standards, the MOE develops the actual subject curricula and course plans, and approves textbooks. It has direct responsibility for managing pedagogical schools. The Ministry also manages higher education institutions, though these have a degree of management autonomy.

Oblast and city khukumats have departments of education that are similar in structure and purpose. A description of the Education Department of Dushanbe follows. The Education Department of Dushanbe is a structural subdivision of the Khukumat of Dushanbe. The Department is responsible for the current state and further development of preschool establishments, schools, institutions for extracurricular activities, teaching personnel, and for the development of the education sector generally in Dushanbe. The main tasks of the department are: to implement state policy in the sphere of education, supervising and coordinating activity in all aspects of the education system; to analyze the education system and give prognoses; to develop and implement programs for the development of education in the area under its jurisdiction; to implement state policy on orphans, creating better conditions for orphans to live and study in family and educational institutions. The Head of the Department is appointed and dismissed by the Mayor of Dushanbe with the agreement of the Ministry of Education, and a meeting of the city councillors confirms the decision. The Deputy Head of the Department is appointed and dismissed by the Head of the Department and the Mayor of Dushanbe.

The rayon department of education is an organ of state management of the education sector that is accountable to the Khukumat of the rayon and to the Education Department of the city or oblast in which the rayon is located. The department is responsible for the current status and further development of learning and upbringing work in preschool establishments, schools and institutions for extracurricular activities. The main tasks of rayon department of education are: to monitor the process of learning and upbringing in educational institutions of the rayon; to implement programs for the development of education; to put into effect legislation and national education standards; to implement experimental programs for general and specialized education; to manage the teaching personnel of educational institutions, including training, retraining and upgrading of qualifications, and generally to stimulate pedagogical activity; to study and disseminate advanced pedagogical experience across the rayon; to design education projects on the basis of rayon khukumat decisions on educational issues; to organize the attestation of teaching personnel, submitting relevant documentation regarding the

qualification category of teaching personnel to the Education Department of the city or oblast in which the rayon is located.

It should be noted that inspectors are deployed at three levels of the system: MOE, oblast/city departments of education and rayon departments of education. There is a rationale for this dispersion of inspectors across the system, in that one level inspects the next level (for example, MOE inspectors monitor the work of oblast departments). However, it is not a strict hierarchy, since MOE inspectors also inspect schools. At the level of schools, the school director, working in close cooperation with the Pedagogical Council, is responsible for a considerable number of functions. Many of these were historically the responsibility of central government. The school director is nominated by the rayon department of education and approved by the rayon khukumat. The school director is supported by deputy directors, and determines their responsibilities in accordance with normative acts and the school charter. Deputy directors, whose responsibilities are typically divided between education and logistics, are appointed and dismissed by the rayon department of education." [Source: Asian Development Bank. *Tajikistan Education Sector Review. Volume III: Management.* June 2000.]

"The State budget is very fragmented, with more than 100 Key Budget Organizations (KBOs); each prepare budgets and deal separately with the Ministry of Finance (MOF) in the budget process. In some of the major sectors, such as education, responsibility for preparing and implementing budgets is disbursed among multiple KBOs, including local governments and various types of central spending agencies (there are more than 40 KBOs in the education sector). The line ministries have the responsibility for preparing sector policies but are effectively marginalized from preparing the budgets for their sectors; hence there is a disconnect between policy formulation and budgeting, especially in the social sectors where the bulk of expenditures are channelled through the Local Budget and bypass the line ministries. In addition, the current and capital expenditures are treated separately in the budget preparation process, with the former being the responsibility of the Ministry of Economy and Trade.

Sub national units of administration play a major role in the provision of public services, including education, health care, and housing and community services. The system used to finance these services continues to bear the imprint of the Soviet era, requiring lengthy negotiations between tiers of government over spending needs and revenue prospects. As a result, sectoral ministries have little influence over the allocation of resources at the local level.

There are 118 KBOs comprising line ministries, The Presidential Administration, the Majlisi Oli, the courts, sundry commissions, committees, academies and universities and local governments (three Oblasts, 13 Rayons of Republican Subordination (RSS) and Dushanbe. Non-KBOs do not deal directly with the MOF; instead they are subordinated to a KBO. For example, the rayons, except for the RSS, are subordinated to the Oblast in which they are situated. There are several hundred non-KBOs. The fragmentation of the State budget i s partly a legacy of the Soviet era, when Republican budgets in the Soviet Union were typically fragmented among many budget organizations without there being dominant line ministries, and partly the consequence of the decentralization implemented after the end of civil war in the 1990s.

The problem for sector-based budget planning is not the large number of non-KBOs (in most countries there is a plethora of budget organizations which actually implement expenditures) but the large number of KBOs. With 118 KBOs, many of which, including all of the 17 local governments, have responsibilities which span several

sectors, the number of KBOs in most sectors runs into double digits. In the education sector, there are around 40 KBOs. In most of the sectors, there is a line ministry which has responsibility for formulating policies, but that line ministry only controls a fraction of the expenditures within its sector. For example, the Ministry of Education directly controls only 9% of the total education budget: the remaining 91% is split among the 40 plus KBOs in the sector, with the 17 local governments accounting for almost all of this.

In addition to the fragmentation of the budget among the numerous KBOs, the budget is fragmented between the current budget and two separate capital budgets; the Central State Investment Program (CSIP), which is part of the State budget, and the Public Investment Program (PIP) which is fully funded by external donors. The CSIP and the PIP fall under the aegis of the Ministry of Economy and Trade (MOET). The selection of projects for the CSIP and PIP involves a process of negotiation between the KE30 promoting the project, usually in collaboration with the external funding agency if the project is in the PIP, and the MOET. Although the CSIP, unlike the PIP, is formally integrated into the State budget, what matters for budget planning is that the process of making allocative decisions in relation to the CSIP is distinct from that relating to the current expenditures in the State budget." [Source: World Bank. Tajikistan. *Programmatic Public Expenditure Review*. Report No. 39771- TJ, June 2007.]

"Given that non-wage current expenditure accounts for about 15 percent of total education spending, there are very little resources left for other pro-poor expenditures to improve the learning outcomes of students. These expenditures include stipends, textbooks and visual aids, scholarships, training of teachers, equipment, and repair and maintenance of schools. The World Bank estimated that only 30 percent of students in general education have textbooks, and that there are virtually no textbooks available for higher education. Moreover, the textbooks available are considered inadequate to the curriculum (the current curriculum requires an average of 8 textbooks per primary school student and 16 textbooks per lower secondary student). Additionally, textbooks in minority languages are not available as required by law.

The lack of repair and maintenance combined with heavy use over time (according to the World Bank's Review of Education Sector, about 80 percent of institutions in basic education operate in two or more shifts) have deteriorated school physical infrastructure. Tajikistan's State Statistic Committee estimated that in 2001 there were 3,695 general education school houses Tajikistan, of which 85 percent are located in rural areas. There were about 3,400 institutions for basic education. The supply of basic utility services (heat, water, and sanitation facilities) is inadequate. The World Bank's survey of 1,845 schools found that 26 percent of schools do not have heating systems, 24 percent do not have water pipes, and 35 percent do not have sanitation systems. Missing window glasses in many of these schools makes it impossible to heat during winter. A lack of heat in the winter has contributed to a reduction in attendance in rural areas.

On the supply side, the state at both central and local levels faces fiscal constraints and weak management capacity that lead to poorly maintained physical infrastructure, inadequate training of teachers, outdated and irrelevant curricula, a shortage of materials, and an exodus of qualified teachers associated with a reduction in the real wage. On the demand side, limited financing for education has led the Government to find alternative sources of revenue. Some cost recovery measures have already been introduced formally and/or informally at all levels of education. In higher education, students are increasingly paying the costs of their education. The Government has also been promoting the financing of students' education by employers. The situation has led to an increase in the cost of education, thereby limiting accessibility to education among the poor.

Most policies are delivered through the subordinated units of line ministries at Rayon level, while Olbast level units mainly fulfill coordination and communication functions. Self-governing structures do not as yet play a significant role in implementing government policies, as no major functions have been delegated to this level." [Source: World Bank. *Tajikistan. Public Expenditure and Institutional Review.* Volume I, Report No. 34891-TJ, December 2005.]

"Over the past decade, the number of preschool educational institutions has decreased significantly. The main reason for this worsening situation in preschool education is a sharp decline of public financial allocations for the maintenance of pre-school institutions. This has led to a significant decline in the coverage of children by preschool educational institutions due to closure. This decline is particularly high in rural areas, where over 75% of population resides. There is also an absence of a culture of quality parental preschool education at home and in the community, with such responsibilities being seen as that of only the state. There are more than 1 million children of pre-school age in the country at present. In 2004 the outreach to preschool age children by pre-school educational institutions remained at only about 6%. Attendance level in pre-school institutions, especially among children from poor families, has also decreased significantly, as parents are not able to pay the basic complementary costs. Preschool institutions are also facing problems of a lack of qualified pedagogical cadres, curricula, learning and didactic aids, special equipment, toys, meals and medical services. The survey of the needs of children and mothers, conducted in 2004 by the Ministry of Education and UNICEF, showed that many parents (mothers) showed limited knowledge about the needs of the child at an early age. Educating parents on raising children in the families and providing a positive learning environment therefore also becomes an approach to preschool education that needs to be introduced in the country.

On the basis of a reform implementation plan in the education system for 2004-2009 (Decree of the Government No. 291 of 30 June, 2004), since January, 2005 changes in the structure of management and financing in general basic schools in 5 pilot regions (Kulyab, Khorog, Khudjant, Vahdat and Yavan) has begun, including experiments on testing of the norm of (per capita) funding. The Governmental adopted a Resolution on granting autonomy to the Tajik State National University. The number of private educational institutions is also increasing in the country as an integral part of the formal education system of the country." [Source: Ministry of Education. *National Strategy for Education Development of the Republic of Tajikistan 2006-2015*. Dushanbe, August 2005.]

### The financing of education

"Primary government expenditures rose from 13% of GDP in 1998 (the lowest level since independence) to 21.8% of GDP in 2005. Given that GDP also recovered strongly over this period, this implies an increase in the real value of government expenditure (using the GDP deflator as a proxy for the price index for government services) of approximately 180% between 1998 and 2005. Basic public services have been among the major beneficiaries of the recovery of the Government budget. For example, expenditures on

education in the State Budget rose from 2% of GDP in 2000 to 4% of GDP in 2005, while expenditures on health in the State Budget rose from 0.7% of GDP to 1.5% of GDP in the same period.

Allocative efficiency of government expenditures in Tajikistan is likely to be low because budget allocations are still heavily influenced by those which prevailed during the Soviet era. These allocations were heavily biased towards capital intensive technologies, highly centralized service provision and very rigid expenditure structures. In the education sector, employee compensation consumes 83% of the recurrent expenditure in the local budgets, from which most schools are funded, leaving insufficient funds for teaching materials and essential classroom maintenance. Many of the schools are in a very poor state of repair and are often unusable in winter because heating systems have broken down." [Source: World Bank. Tajikistan. *Programmatic Public Expenditure Review*. Report No. 39771- TJ, June 2007.]

"The general government budget encompasses the budgets of republic governments (central government budget and the budgets of state targeted funds), local government budgets, social protection funds, and the public investment program (PIP). The republican budget covers expenditures of administrative bodies under management of the state, the legislative and judiciary bodies (Parliament and Justice). Local government budgets include four tiers of administrative and territorial units: regions (oblasts), districts (rayons), villages, and community administrations (jamoats). The social protection budget is an extra-budgetary item that accumulates funds for social protection purposes, namely pension and social insurance. Finally, the public investment program covers capital expenditures financed by the central government budget and by donors through loans, credits, and grants.

Budget allocation is based on input-based norms; for example, the number of teachers required for the curriculum at each grade and the number of non-teaching staff in each school. Budgetary funds are allocated by line items, such as salaries, textbooks, building utilities, food, and building maintenance. Reallocation of expenditure across line items is rigid and some expenditure, such as salaries, books, and utilities, are protected from budget cuts. A new system of education financing based on a per student basis was introduced for budget year 2003. However, the Ministry, oblasts and rayons are not ready for this change due to lack of capacity to implement necessary changes required for a strategic budget planning based on sector policy.

The republican budget finances specialized secondary and higher education through the budgets of the Ministry of Education and Ministry of Labor and Social Protection. Local governments (rayons) are responsible for the provision of pre-school and general education services financed by local government budgets through resource transfers from oblasts to rayons. About 80 percent of total education expenditure (2002) is allocated to local governments, of which 96 percent of local government spending on education was spent on general education.

Spending in 2002 reached 2.6 percent of GDP (about one-fifth of the 1992 level), accounting for about 16 percent of total expenditure. Spending on education represents the largest share of social sector expenditure (46 percent); however, it remains the second lowest among CIS-7 countries, after Georgia.

Private payment for education is roughly equivalent to public spending on education (2.1 percent of GDP in 1999) and accounts for about 2.4 percent of household spending. The Household Budget Survey data indicated that private households spend a greater share of their education payments for higher education, in urban areas, and for

boys (79 Somoni in 1999). Payments go for tuition (only for post-general education) and uniforms. Recently, both formal and informal fees have been introduced in basic education, including contribution to schools and payments for extra courses. Fees are used to pay teachers' salaries and operations and maintenance.

Republican and local governments have slowly increased resources for primary education, and at the local government level, spending accounted for 90 percent of total education spending. The republican government has also increased spending on primary education by reallocating resources away from higher education (from 46 percent in 1999 to 27 percent in 2002) due to limited budgetary resources. However, public spending on vocational and technical education financed by the republican budget has remained high (about 19 percent of total). Total wages and social contribution for teachers and non-teaching staff accounts for nearly three-fourths of overall education expenditure. Local governments, however, spend more than 80 percent of their education expenditures on wages and social contribution. The high wage bills are attributed to the large number of teachers (especially ghost teachers, estimated at about 5-10 percent of town. However, teachers' salaries remain below the overall average wage. This has led to informal payments from parents and a diversion from carrying out other income generating activities.

The formation of education budgets continues to be based on the normatives inherited from the Soviet budgeting process. These normatives specify the number of teachers required according to the curriculum in each grade, as well as the number of nonteaching staff per school. This budget formation process based on inputs, combined with rigid regulations requiring teachers to specialize in one subject after grade four or five, has led to an excess number of teachers and inefficiently low student/teacher ratios, declining teachers' salaries, and inequitable geographic allocation of education funding. In addition, because of the infrastructure and staffing normatives, education budgets are nearly fully consumed by fixed labor costs, with inadequate resources available for nonlabor inputs, such as text books, supplies and maintenance. The unfunded operating costs for schools are increasingly borne by households with children attending school. The increased direct cost of education is in turn becoming a barrier to school attendance for children from poor families, which is reflected in the gradually declining attendance and completion rates for basic education in the region. Funding for the education sector in Tajikistan is largely generated at the local (city, rayon) level. Some reallocation of resources across geographic areas is carried out through the use of block grants, but typically there is no mechanism to ensure that the reallocation of resources is used for education financing at the local level. Budgets are administered by oblast, city and rayon finance departments rather than education departments, so other budget priorities often displace transfers from the national budget for education. There are two problems with the fragmentation of education financing down to the lowest administrative level. First, because the capability of generating tax revenue, as well as the priority given to education, funding levels vary widely across geographic areas and there are large inequities in the per capita resources available for education. Second, when funding is generated and disbursed at the lowest administrative level, opportunities for restructuring and consolidating schools are greatly reduced. The network of schools in Tajikistan is characterized by a large number of small schools with small class sizes. Consolidation of schools across rayons and cities becomes unlikely, if not impossible, if the funds do not also flow across those administrative borders. Education reforms and pilot projects will not be sustainable unless the fundamental inefficiencies in education resource allocation are addressed. Three directions of education financing reform should be considered to

address the main inefficiencies: (i) the education budget formation should be based on an output measure, such as the number of students (per capita), rather than input normatives; (ii) the pooling of education funding at the oblast level is needed to improve equity and allow reorganization and consolidation of the network of schools; and (iii) the funding of schools through per capita budgets needs to be accompanied by the removal of chapter restrictions and staffing normatives, as well as by other measures to increase internal management autonomy at the school level." [Source: World Bank. *Tajikistan. Public Expenditure and Institutional Review.* Volume I, Report No. 34891-TJ, December 2005.]

# **TURKMENISTAN**

#### Laws and other basic regulations concerning education

The **Law on Education in Turkmenistan** was approved by the President of the Republic on 15 October 1993. This law establishes the general principles of education, and defines the organization and management of the education system in the country. According to the Law, educational services can be provided both by the State and the private sector, but non-state establishments must have Lthe corresponding licence. Governmental and local authorities, organizations, associations, enterprises, citizens, as well as foreign organizations, can establish educational institutions. However, the educational process must be organized according to guidelines approved by the Cabinet of Ministers which determine the minimum level of competencies and requirements at all educational stages.

The Law also states the rights and obligations of various participants in the educational process. It should be mentioned that pupils also have several rights, including: choice of establishment type; access to nutrition and medical service; free transport, textbooks, pedagogical materials; and access to student grants. Article 13 of the 1993 Law specifies that the nine-year general education programme is compulsory and provided free in State educational establishments.

As stipulated in Article 35 of the **Constitution** (1992), every citizen shall have the right to education. Basic secondary education shall be compulsory; every person shall be entitled to receive it free of charge in State educational institutions. Associations and private citizens may create private educational institutions on the basis of and in the manner defined by law. The State shall assure access to professional, secondary special, and higher education to all persons, according to their abilities.

### Administration and management of the education system

The People's Council (*Khalk Maslakhaty*) is the highest representative body and the Parliament (*Mejlis*) is the main legislative body in the country.

The President of the Republic is the head of the executive power, as well as the Cabinet of Ministers. In the Cabinet of Ministers structure, a Vice-Chairmen assumes overall responsibility for the department of science and education activities; while a department head coordinates the activities of: the Ministry of Education, the State Association for Vocational Training and Education (SENET, responsible for the system until mid-1997, when the system was transferred under the Ministry of Education); local bodies of executive authorities (*velayats, etraps* and cities); ministries and departments with educational institutions networks (the ministries of Defense, Culture, Health and Medical Industry). The Law on Education (Section 6) elaborates the division of powers and authorities of these various bodies involved in the delivery of State education.

The Minister of Education is assisted by four Deputy Ministers. The largest and most significant subdivisions of the above-mentioned bodies have the status of management organs and, in several cases, include several departments. On the whole, the organizational structure corresponds to the functional tasks and main trends of the current educational policy. In 1996, a new sub-division for the coordination of education reforms was established to: monitor the reform process country-wide; analyze the positive and negative consequences of same; develop and implement proposals to address emerging problems. The ministries of Defense, Health and Medical Industry and Culture also have departments of science and educational institutions in their subdivisions.

In each *velayat*, as well as in Ashgabat city, the Ministry of Education is represented by *khyakim* (the velayat administrative head or chief executive) who has authority over the velayat's management of education. The education departments of the various etraps and cities handle the management of their respective schools, pre-schools and out-of-school institution activities.

The heads of the general management and education departments are accountable to the Ministry of Education for the content of education; scientific and methodical supply for the system; improvement of personnel professional skills.

According to the United Nations (*Country Common Assessment*, February 2004), a shortage of textbooks for students exists, particularly in rural areas, and includes poor quality of new editions in content and design. Budgetary constraints hamper the purchase of new updated textbooks and updating of libraries. Cost-cutting measures since 2000 also have manifested themselves in reductions in the number of secondary schools, in subsidies to pre-schools and educational institutions run by collective farms and local authorities. Reduction in State spending on education also has led to a deterioration of school infrastructure and a freeze on the opening of new schools, which can further lead to decreasing access. In particular, a dramatic decline in the number of pre-schools has resulted in the lack of early childhood education opportunities.

[Source: WDE]

"Turkmenistan's administrative divisions consist of 5 welayats (provinces) and the city of Ashghabat. The welayats themselves are divided into etraps (regions), settlements and gengeshi (villages). At the start of 2003 the 5 welayats and Ashghabat contained 54 etraps, 22 cities (Ashghabat itself, 12 welayat cities, and 9 etrap cities), 76 settlements and 560 gengeshi.

Since the first years of independence, Turkmenistan has applied a system of state support and social security for the least well-off sections of society. This system is mainly still in operation at the present time. Since 1993 families with low income have received a number of essential food products at low fixed prices. On the initiative of President Saparmurat Niyazov, Turkmenistan guaranteed unpaid supplies of electric energy, water, natural gas, and edible salt to its people. In 2003 this arrangement was extended until 2020." [Government of Turkmenistan. *Millennium Development Goals Report: Turkmenistan*. Ashghabat, 2003.]

### The financing of education

In accordance with the current legislation, a variety of educational establishments can function in Turkmenistan. They are classified based on the nature of their property ownership—State, private or mixed. State educational establishments are still quite prevalent, as the process of forming of alternative educational establishments is developing slowly.

The inadequate material and technical situation presents a major problem, in particular for vocational-technical schools. The lack of modern equipment and visual aids is one of the main causes for the low quality of training at the vocational-technical establishments. During recent years, the State budget provisions have been negligible for financing such items as capital investments and school expenditures, while allocations for capital repairs and the purchase of equipment stock have also been reduced.

Several factors have constricted education sector financing during the transition period: the difficult economic situation of industrial and agricultural enterprises; a decrease in the real income level of the population; and the lack of the necessary legislative and normative acts, regulating the procedure for collecting educational services payments. Structural changes in the financing of educational establishments from non-budget resources have been closely monitored. In this context, it has been observed that in 1990 more than half of the resources of co-operatives, government and social institutions was spent on kindergarten maintenance; in 1995, kindergarten maintenance accounted for less than 23% of their institutional resources.

Decentralization of financing was implemented as a part of the education sector reform process. Beginning in 1993, the budget policy embraced decentralization of social and cultural sphere financing—including education. In this context, the pre-school institutions, general education schools, out-of-school establishments, special secondary educational institutions are now supported by the local government authorities (provinces, regions and cities) through organizational subdivisions responsible for dealing with education issues. This decentralization policy has resulted in local budget education sector increments—83 % in 1995 compared to 74% in 1991. Distribution of education proper regard for local character and conditions.

The annual budget for education is fixed by the Ministry of Economy and Finances based on proposals of: the Ministry of Education; ministries and departments having their own network of educational establishments; higher education institutions; as well as velayat bodies of education. Budget estimates are submitted to the Parliament for approval. The budget estimates are based on several indices: quota of children at preschool institutions; number of pupils and students; number of employees; number of seats at the educational establishments, etc.

The Ministry of Economy and Finances (MEF) handles the financing of higher education institutions which permits institutional economic autonomy. The higher education institutions themselves prepare budget estimates, which are submitted directly to the MEF for approval. Payments (within the projected budget lines) are allocated based on billings submitted and actual work implemented. The financing of higher educational institution expenditures is thereby accomplished within the existing budget revenues and, in order to assure that expenditures of the State budget conform to line item targets, the payments are made through the Treasury Department of the MEF and its local bodies.

Expenditures must be made in accordance with the directives regarding approved norms for labour payments, nutrition, grants and index coefficients. Functional norms are used for purchase of training appliances, equipment, stock as well as capital repairs and construction. Since the State budget is the main source for education financing in Turkmenistan, the process for the development of budgets and disbursement of funds (described in the example below) is based on this premise.

First, the Ministry of Education, together with the institutions under its supervision, devises the budget line item expenditures, taking into consideration the prevailing norms (consumption of energy, food, etc.) and prices specified by the Ministry of Trade. Currently, the so-called "union norms" (which were used in the former USSR) are still being used in Turkmenistan. Then the proposed budget is submitted to the MEF for approval. Second, the MEF considers every item of the submitted budget, taking into consideration a full array of factors, including: budget revenues; actual usage of funds during the prior year fiscal period; extreme conditions (i.e. emergency state of buildings, etc.). As a rule, certain line items are approved without modification (i.e. salary, extra charges, student grants, nutrition, etc.). But other line item expenditures (usually contracted) are frequently modified (i.e. economy expenses, purchase of equipment, upholstered stock, capital repairs, etc.)

Then, after budget approval, the MEF provides the financing to the Ministry of Education, for support of the institutions under its jurisdiction. In turn, the Ministry of Education directly finances each of its establishments, designated in the central budget. The MEF and local authorities (without the participation of the Ministry of Education) agree on a budget for those educational establishments that are financed under the local budget (pre-school institutions, general education schools, out-of-school institutions, etc.).

The cost allocations are determined according to the type of educational institution (pre-school, out-of-school, schools, etc.). The establishment of line items for the *velayats* and *etraps* is carried out by the provincial management responsible for education, economy and finances. (In the regions, a similar process occurs to determine the resource allocations for each educational institution). The norms utilized for financing of educational institutions are out-of-date and need improvement. On the one hand, the decentralization of financing of educational institutions (in particular schools and preschool institutions) has promoted the democratization process. On the other hand, it has resulted in the irrational utilization of financial means—due to the low skill levels of employees at the local education management bodies.

[Source: WDE]

# UZBEKISTAN

### Laws and other basic regulations concerning education

Immediately after independence, the Government passed the **Law on Education** in July 1992 to provide the legal basis for the sector and to set off the most urgent reforms needed to adapt the education system to the demands of a transition economy.

The 1992 Law laid down several principles such as: children's right to education and protection; the right of workers to individual leave for training purposes; the financial autonomy of institutions including the possibility to conclude contracts with companies; and the right to establish private schools. In addition, this Law provided for the development of new curricula and textbooks, certification and accreditation of educational institutions as well as the establishment of specializations and types of educational institutions attuned to market needs. Greater emphasis was placed on the Uzbek language, history and literature as well as on foreign languages, business, economics and vocational-technical education. The duration of compulsory and free basic education was reduced from eleven to nine years due to financial constraints.

The impetus of the new **Education Law**, which was adopted by Parliament in 1997, can be seen in various measures. New kindergartens and educational institutions have been established and experimental programmes for teaching foreign languages, arts and computer science to young children have been started. A new curriculum has been introduced for general basic education schools and new textbooks have been developed. New types of educational institutions have been established based on market requirements, including business schools, banking colleges and academic lyceums. Extrabudgetary means of financing educational institutions have been devised. Specialized foundations have been established for talented students and high-level scientists to study in prestigious universities abroad (UMID Foundation, USTOZ or Teacher Foundation, KAMOLOT or Youth Foundation). A new testing system has been introduced at the national level as a means to monitor the quality of education. Several regional higher education institutions have been upgraded to university status. Special programmes have been developed for the rural areas. International and scientific links are being expanded to support the modernization of education.

In August 1997, the Government adopted the **National Programme for Personnel Training System** (NP) which provides a coherent framework for the reform being undertaken, and further guides the educational development of the country well into the twenty-first century. Central to the NP is the development of a unified and continuous education and training system and the mandate for the State to provide twelve years of compulsory education according to a '4-5-3' pattern. The last three years of education will be provided in two types of specialized secondary education institutions, namely academic lyceums for the top 10% of Grade IX graduates, and professional colleges for the rest. These new institutions will be organized within higher education establishments and managed by the Ministry of Higher and Specialized Secondary Education. The selection of students will be based on competitive tests, individual attitudes, interests in the chosen specialties and the socio-economic characteristics of the regions where they reside.

As stipulated Article 41 of the **Constitution** (1992), everyone shall have the right to education and the State shall guarantee free secondary education.

#### Administration and management of the education system

Uzbekistan is headed by a President who, through the Cabinet of Ministers (COM) chaired by him, wields executive authority. Although legislative authority is vested in the Parliament (*Oliy Majlis*), a very large proportion of rules and regulations are set by various ministries and departments. The Prime Minister, nominated by the President and appointed by the *Oliy Majlis*, is responsible for organizing COM's activities.

The country is administratively divided into twelve provinces, the city of Tashkent and the Republic of Karakalpakstan. The provinces and the Republic of Karakalpakstan are subdivided into 163 districts and eighteen municipalities. Each province has a mayor (*khokim*) who is appointed by the President. Within the regions there are 1,421 rural areas constituting 12,391 settlements (*kishlaks*). The basic unit of local government is the neighborhood organization (*makhalla*) which is the state's channel for targeting special assistance to low-income families. The Republic of Karakalpakstan has its own President and Parliament.

The country is divided into six economic regions, each endowed with natural resources, capital stock, infrastructure and labour force, but with widely different levels of social, economic and human development. A priority of Uzbekistan's economic policy is to ensure a more even development through programmes targeted to the rural areas. The Government has adopted a step-by-step approach towards a market economy and identified a strong social policy as the core of the national model of transition to a market economy. Attention is being given to the most vulnerable groups and to maintaining social cohesion in a multi-ethnic society.

The Social Sector Department of the Cabinet of Ministers (COM) is mainly responsible for setting education policies and quality standards.

The overall management of the education system is shared by the **Ministry of Public Education** (MPE) and the **Ministry of Higher and Specialized Secondary Education** (MHE). Under the National Programme, the Ministry of Public Education is responsible for pre-school, general, special and out-of-school education, while the MHE administers specialized secondary and tertiary education, including vocational education and teacher training.

The two ministries have units for forecasting enrolment, teacher requirements and capital works, as well as specialist centres responsible for curriculum and textbook development.

Specialist training institutes run by other ministries (i.e. Agriculture, Communication, Railway, Tourism, Water Resources, etc.) are under the authority of both MPE and MHE.

The **Republic Testing Centre**, an autonomous agency, prepares and administers tests at the end of the general and specialized secondary education cycles to certify student qualifications for the higher levels of education. The day-to-day management of general education (primary and secondary) is the responsibility of the **Province** and **District Education Boards**.

[Source: WDE]

"The proclamation of independence by Uzbekistan on 1 September 1991 created the necessary conditions for reforming the structure of the education system and its instructional content. Several legislative and regulatory acts were passed following independence, namely, the Law on Education (enacted in 1992), various normative documents, and new state education standards and curricula. The rationale driving education reform has been the need to adjust the education system to cope with the substantially different socioeconomic goals that followed independence, namely ensuring the economic independence of the Republic of Uzbekistan and the transition from a command to market economy, and promoting the development of a strong democratic state and civil society.

Developing a national system of personnel training was set as a key priority of the overall reform agenda of the Government. This was enshrined in the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 116 of 28 February 1997, on the Results of Socioeconomic Development in 1996 and Priorities for Intensification of Economic Reforms in 1997. In accordance with this Resolution, a decision was made to develop a National Program for Personnel Training (NPPT).

Starting from the 1998/99 school year, compulsory basic education has been extended from 11 to 12 years and a new continuous system of education has been introduced. The new education structure includes: preschool education for 3–6/7 year olds; 9 years of general education for primary grades 1–4 and secondary grades 5–9; 3 years of secondary specialized vocational education (grades 9–12), provided in professional colleges and academic lyceums; and two principal levels at higher education (bachelor's and master's degree studies).

The process of education standards development started with the implementation of the Law on Education (1992) and the Resolution of the Cabinet of Ministers No. 406 of 12 August 1993. Standards principally aim at specifying academic requirements and learning outcomes for graduates for each level and type of education. To unify the process of development of state education standards and define the procedure for their approval and introduction, on 5 January 1998 the Cabinet of Ministers adopted Special Resolution No. 5 on the Development and Introduction of State Education Standards within the continuous education system.

The Cabinet of Ministers Resolution No. 390 of 16 August 1999 approved state education standards for general secondary education (grades 1–9), including syllabi for 23 subjects, and a new curriculum. All education institutions have been provided with documents explaining regulations and procedures. In addition, 350,000 copies of these documents have been disseminated through the bulletin *Talim Tarakkiyeti*. To assess the effectiveness of state education standards and their improvement, all *oblast* departments of public education have set up groups for monitoring general secondary education, coordinated by the relevant department in the Ministry of Public Education (MPE). On 16 October 2000, the Resolution of the Cabinet of Ministers No. 400 approved state

standards for specialized and vocational secondary education. At the level of higher education, a modern structure has been created—bachelor's degree programs of 4 years duration and master's degree programs for an additional 2 years. A total of 290 state education standards for bachelor's and master's degree programs, as well as new requirements, curricula, and programs, have been developed. The system for appraisal of students' knowledge and for control of the quality of their education is being improved (including monitoring compliance of student knowledge with state standards): written examinations have been introduced as an effective and objective means of assessing both learning achievement and teacher performance.

The gradual implementation of a 12-year compulsory education system was built around the creation of two new types of institutions providing 3 years (grades 10–12) of instruction at senior secondary level: academic lyceums and professional colleges. The implementation of the new system requires the mobilization of considerable resources for developing norms for the operation of new institutions as well as new education standards, training and retraining qualified teachers (both domestically and overseas), and building or refurbishing existing institutions. The Center for Specialized and Vocational Secondary Education has been established within the Ministry of Higher and Secondary Specialized Education (MHSSE) to oversee the development of academic lyceums and professional colleges. It provides management staff and ensures provision of qualified professors, teachers, and technical instructors. It also coordinates activities related to establishing and operating education institutions, and ensures the development and introduction of state education standards, uniformity of training programs, and training and retraining of teaching staff.

A new generation of grade 1–9 textbooks in Roman script was introduced based on the new state education standards. In 1999, 182 titles (about 17 million copies) and in 2000, 251 titles (17.7 million copies) were published in seven languages: the primary language of instruction is Uzbek (86.9%), followed by Russian (5.2%), Kazakh (2.6%), Karakalpak (2.5%), Tajik (2.1%), Kyrgyz (0.4%), and Turkmen (0.2%). All children from low-income families and all grade 1 pupils are provided with free textbooks and other learning materials. Students in other grades have to bear the costs of textbooks (the system of universal and free provision of textbooks was abolished in 1997). The ability of parents to pay for textbooks has become a major problem. The national Mother and Child Program, approved by Resolution of the Cabinet of Ministers No. 68 of 5 February 2001, introduced a textbook rental scheme. Within the framework of an ADB-funded project, MPE started implementing the scheme in 2001/02 in 14 raions. The pilot project covers about 240,000 students from 575 schools. Through the rental scheme, parents rent textbooks from school libraries for 1 year. The fee, equivalent to about 25% of the market price of the textbooks, is deposited into a special school bank account feeding a revolving fund, which is used exclusively for the purchase of new textbooks. At the end of the school year, all textbooks are returned to the school library. The scheme increased the availability and affordability of new textbooks. The durability and pedagogical quality of the rental scheme textbooks were also considerably improved so as to allow schools to use them for 4 years. It is expected that the rental scheme will be financially sustainable and extended to other parts of the country.

A number of national foundations have been established with the support of the Government to provide impetus in particular reform areas. These include (i) the Ustoz Foundation, supporting the retraining and upgrading of teacher qualifications, particularly overseas; (ii) the Umid Foundation, supporting the training abroad of talented students; (iii) the Makhalla Foundation, involved in education programs and social assistance at the community level; and (iv) the Ma'naviyat va Ma'rifat, Oila, Soglom Avlod Uchun, and

ECOSAN centers supporting the implementation of specialized education programs in family, health, and environment issues.

To motivate existing teachers in academic lyceums and professional colleges, as well as to attract new staff with higher qualifications, in compliance with the Resolution of the Cabinet of Ministers of 21 August 2000, the salaries of teachers in specialized and vocational secondary education institutions were increased by an average of 40%. Since 1999, HEIs started to train technical and pedagogical staff for academic lyceums and professional colleges.

Education institutions are attested and accredited in accordance with procedures approved by the Cabinet of Ministers. (A general secondary education level school is a legal entity established according to procedures and registered with local government bodies.) The responsibilities of management bodies are defined in accordance with the Law on Education. A new system of public management of education institutions has been introduced through the establishment of trustee and supervisory boards consisting of representatives of founders, local authorities, businesses, public organizations, and sponsors. In practice, very little autonomy is left to school authorities, in part because of their reluctance to take the initiative and because of their lack of management experience.

Approximately 20 HEIs are accountable directly to MHSSE. Eight are considered to be administratively accountable to the Ministry of Health (17, according to ministry statistics); eight to MPE (five, according to Ministry statistics); seven to the Ministry of Culture; five to the Ministry of Agriculture and Water Resources; and an undetermined number to the Ministry of Finance. In short, colleges and universities are accountable to more than 20 different ministries and state committees. Such an arrangement encourages duplication of functions and efforts. Furthermore, MHSSE has limited capacity to manage the system strategically. Academic lyceums are accountable not only to the Center of Secondary Specialized and Vocational Education and its *oblast* departments, but also to specific HEIs." [Source: Asian Development Bank. *Education reforms in countries in transition: policies and processes. Six country case studies commissioned by the ADB in Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan.* ADB, 2004.]

"Eighty percent of all preschool, primary, and general secondary education institutions are managed by the Ministry of Public Education (MPE). Higher Education is managed by the Ministry of Higher Education (MHE). Higher education remains centrally financed and managed. The management of most preschools, primary, secondary and specialized secondary schools is ostensibly decentralized to local governments (*hokimiats*). But there is a fundamental disconnect between local governments' responsibilities for managing education and their means for doing so. In order to keep schools functioning, the state budget finances whatever local governments - oblasts or rayons - are not able to finance through their own resources. It does so by varying the percentage of the locally collected VAT and other central taxes. General secondary schools are financed through the MPE's budget; specialized secondary schools are financed through the budget of MHE's Center for Specialized Secondary Education." [Source: World Bank. *Republic of Uzbekistan. Public Expenditure Review*. Report No. 31014-UZ, March 2005.]

#### The financing of education

Generally speaking, education is financed from the central budget (through the MPE for general education and the MHE for specialized secondary and higher education), local budgets (for pre-school and general education), co-operatives and enterprises (for their own educational institutions), and parents who pay for school supplies and school meals. The share of capital expenditure on education in the local education budget has been minimal and was at its lowest level in 1994, with some signs of recovery in 1995.

To bridge the budget deficit, educational institutions across sub-sectors have been encouraged to engage in commercial ventures such as charging fees for academic and other extension activities. Higher education institutions are allowed to offer fee-paying places to students (payment-contract) equal to the number funded by governmental grants. This means a doubling of access to higher education. Other extra-budgetary means for raising revenues are to accept production contracts for educational furniture like desks and cabinets, and the lease of premises. Earnings from these sources in excess of expenditure can be used to increase staff salaries and for purchasing and maintenance of instructional resources.

Financing of education is mainly based on the State budget. Higher and specialized secondary education institutions are financed from the State budget, secondary schools and kindergartens are financed from municipal budgets. There is a system of financial support for all students at higher and secondary specialized institutes. About 70% of the financing for specialized secondary schools comes from local authorities, 20% from the Ministry of Higher Education, and the other 10% from contracts with industry, employment services, fee-paying courses and sale of products.

Financial constraints stemming from the transition period have had negative effects on the education sector, reducing funds for the repair and maintenance of buildings. New financial sources need to be found, and existing funds should be used more efficiently. The share of municipal funding in total state funding has been increasing. In addition, a number of measures have been introduced to shift part of educational financing away from the state budget to enterprises and students. Almost 20% of all students entering higher education institutions were required to pay tuition fees in 1995. These students do not pay a full tuition, but rather 20% of the total educational costs annually. At the same time, there are grants for students from low-income families and talented youth.

The unequal provision of specialists in specialized institutions of certain regions, combined with financial problems, has made it difficult for applicants to gain admittance in many central higher education institutions. One solution to this problem is the development of higher education establishments in regional centres outside of the major cities. The former regional branches of higher education establishments were reorganized into independent institutions to improve the quality of education and the effective use of intellectual potential.

According to the Asian Development Bank (ADB-Technical Assistance Report. *Republic of Uzbekistan: Preparing the Rural Basic Education Project.* October 2006), Uzbekistan's expenditure on education in real terms is one of the highest among transition countries, increasing every year since 2000, and reaching 8.8% of GDP in 2005. The amount spent on basic education is the highest among the education subsectors, at 50.3% of the total education expenditure, with senior secondary education at

31.6%, pre-school at 12.7%, and higher education at 5.4%. The responsibility of financing education has shifted from the central Government to the oblasts and raions. In 2005, 65% of the national education budget was financed by raions, 22% by oblasts, and 13% by the Ministry of Public Education. However, consultations at rural schools revealed that budget provisions are insufficient to cover all operation and maintenance expenditures; hence, schools rely on community support. Parents assist teachers with annual maintenance and minor repairs, and provide financial and in-kind support to schools. Companies, farmers, and community groups sponsor school operations and contribute building materials and funds to rehabilitate school facilities that are not covered by the budget. Other schools run small income-generating activities organized by teachers, students, and community members. The level of community participation and entrepreneurship depends largely on the commitment and motivation of school principals and teachers.

[Source: WDE]

"Since the adoption of the National Program for Personnel Training (NPPT) in 1997, the effort of the Government to adequately finance education has been remarkable. As can be seen from Table F2, between 1995 and 1999 total expenditure on education increased from 7.6% to 10.4% of GDP; similarly, as a share of total state expenditure, it increased from 23.2% to 32.2%. The increase between 1998 and 1999 is accounted for mainly by the quadrupling of expenditure on buildings. Expenditure on salaries and stipends increased from 49% to 72% of recurrent expenditure, with a consequent decline in expenditure on supplies, services, and equipment. In 2001 education expenditure amounted to 11.8% of GDP and 36.2% of total state expenditure.

On average, recurrent public expenditure on preschool, general, and other education institutions increased in the latter part of the decade compared with 1991, while recurrent expenditure on higher education institutions (HEIs) declined following the process of securing nonbudget funds.

The budgeting process begins with presentation of budget proposals by individual education institutions to relevant local administration finance and planning departments or government structures (i.e., the bodies to which they are accountable—*raion, oblast*, or ministry). After reviewing budget estimates received from local administrative bodies, the responsible ministries send them to the Ministry of Finance, which presents an overall budget estimate to the Cabinet of Ministers for consideration. The budget is eventually approved by Parliament and allocated resources then go through the whole system from the top down until an institution is informed about its annual budget. This system leads to limited decision making at lower levels and encourages submission of an exaggerated budget proposal, since institutions are aware that their estimates will be rationalized at every higher level and funds received will be dispersed on the way from top to bottom as competing local needs are addressed. From 2000, to increase flexibility, budget categories were reduced to four: salaries and wages, additional expenses, capital costs, and reserve expenditures.

An important step at the primary and secondary levels was the authorization for schools to open bank accounts and raise extrabudgetary revenues. Although some noticeable results of this measure have occurred in urban and rather affluent areas, many schools find it difficult to raise money from communities and local industries. In practice, school directors have also been reluctant to take initiatives in this respect and to take responsibility for planning, allocating, and managing extrabudgetary resources. Incomes of higher education institutions have considerably increased through fee-based education services, consultancies, publishing, and scientific and other activities in compliance with their missions." [Source: Asian Development Bank. *Education reforms in countries in transition: policies and processes. Six country case studies commissioned by the ADB in Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan.* ADB, 2004.]

"Real expenditures for education fell early in the transition, and have only recovered to pre-transition levels during the past four years. Real teachers' salaries were progressively eroded. Starting school teachers currently earn less than two-thirds of the average monthly wage in the economy. Expenditures for other vital educational activities - including in-service teacher training, educational materials, and other inputs to maintain and update teaching and learning materials -- have been reduced to alarmingly low levels. As a result, the quality o f education and the condition o f schools has deteriorated in all communities except the few that were able to supplement budget financing for schools through local sources.

The Government adopted a number of measures early in the transition to reduce budget expenditure needs and diversify sources of financing. Education financing was diversified by: decentralizing the responsibility for financing and managing most primary and secondary education programs from central to *oblast* governments; requiring parents to purchase textbooks which had formerly been provided by the Ministry o f Public Education (except for grade I, where they are still provided free); instituting a program of cost recovery through contracted (fee-based) provision of specialized secondary and higher education within public schools and universities for students with entry scores below the threshold for budget-financed admission; introducing rental-based provision of textbooks; and allowing schools to supplement budgetary income through parental and community contributions and through actions such as rental or sale of unneeded facilities and provision of paid extracurricular courses.

Although compulsory education was extended from 9 to 12 years under the NPPT, upper secondary enrollments actually declined slightly since the start of the NPPT in 1998.

The Government's new Basic Education Program is intended to raise the quality of education at the base of the educational pyramid, thereby raising the effectiveness of secondary and higher education, and improving employment prospects and productivity. The program was created by Presidential decree in May, 2004, and comprises a major program of school rehabilitation and construction, provision o f educational materials and equipment (including IT and internet access), and training of teachers and school principals. Accompanying the major investments under the program are significant salary increases for teachers and school principals, some o f which are performance-based. Salary increases adopted since the start of the program reportedly average over 50 percent. These very significant increases reverse the long-term trend of declining real salaries in the sector. They are also expected to help restore prestige in the teaching profession and to attract qualified graduates to become teachers. The investment costs o f the program are estimated at \$1.2 billion over the projected 2004-2009 implementation period. The program is to be financed by a combination o f donor financing and budget financing, the central feature o f which is a new earmarked sales tax o f 1 percent. This new tax is expected to generate additional revenues of from 150 to 170 billion soums per year. Donor financing of about \$82 million has also been pledged in support o f the program, and more is being sought.

Overall, budget growth has been concentrated in the new programs of upper secondary education, where the development of the new-format professional colleges and academic lycea under the NPPT has drawn resources away from general education in grades 1-1 1. As a result, teaching and learning conditions in primary and lower secondary education have fallen - in some cases, to unacceptably low levels.

In principle, the state budget guarantees the financing of core recurrent costs of schools, consisting predominately of teacher salaries and benefits. The number of authorized teaching positions (and, in consequence, the level o f guaranteed state financing) in each locality is driven by centrally established "norms" for maximum class size and teaching loads. Minimum teaching loads are very low by OECD standards. The minimum teaching load defines a teaching "norm", for which each teacher is paid a base salary in accordance with the unified salary grid for budget organization. Additional teaching hours are paid at a pro-rated fraction of the base salary, up to two full teaching norms. Most teachers supplement their income by teaching from 1.3 to 1.5 full norms. In addition, teachers who have taught at least twenty years and who reach the statutory retirement age (60 for men and 54 for women) can receive their full pensions and continue to teach. Central norms also dictate minimum class sizes. But because o f the difficulty of making alternative arrangements for small student numbers in rural areas, these standards are often not enforced. One consequence of this process is inefficiency, which is implied by low student/teacher ratios. Another is the frustration of the intention that local government manage their own schools, because there is little for them to manage.

In practice there are no separate Republican and Local Budgets, reflecting national and local priorities. The State Budget is the sum of the Republican (central government) budget and Oblast budgets (including their subordinated Rayons). While there is a formal separation between the central and local levels of government, in practice the system is one of deconcentrated government, with the 14 oblasts and the 210 rayons treated as if they were central government units. Annual budget negotiations between the MOF and oblasts result in decisions about adjustment of revenue shares to fill the gaps between the revenues and expenditures. Separate revenue shares are established for each oblast and rayon and each tax type every year making the process unpredictable and non-transparent. Central decisions (for example to build a new hospital or expand vocational education) are simply included in local budgets." [Source: World Bank. *Republic of Uzbekistan. Public Expenditure Review*. Report No. 31014-UZ, March 2005.]

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