I. Project Context

Country Context

Major achievements in primary, secondary and tertiary education have been attained, but access to pre-school/early childhood education remains a challenge. The Russian Federation has since decades achieved full access to basic education and is thus increasingly turning its attention to increasing access to early childhood/pre-school education as well as improving the quality of outcomes across its 83 regions (Republics, krai, oblast) in order to meet the needs of a more diversified economy and the changing demands from households for education.

The preschool education system in Russia is currently experiencing a large shortage of spaces due to a growing number of births and smaller number of preschools. During the past decade the number of children of preschool age in Russia has increased significantly as a result of the increase in fertility rates (the growth of fertility rate since 2000 has averaged 2.3 percent annually - from 1.2 in 1999 to 1.5 in 2009). At the same time the low demand for kindergarten spaces during the 1990s resulted in the transfer of a large number of facilities for other purposes or business. As a result, from 1995 to 2009, the number of public preschools decreased from 68,600 to 43,500, equivalent to a 37 percent drop in capacity. Currently, the overall net enrollment rate in ECD programs of
children aged 1-7 is 59 percent in Russia, whereas the enrollment rate for children aged 5-7 is 76 percent.

Regional autonomy and the devolution of provision for preschool education to the regional (Republics, krai, oblasts) and municipal level imposed a challenge to the system in the early 90s. During the past decades the federal government pursued a number of decentralization reforms devolving the full responsibility for delivering education and health services to the regional (oblasts, krais or Republics) and municipal district levels. The 1992 Law decentralized the responsibility for the preschool education system from the National/Federal level to the regions and municipalities as an attempt to allow for greater autonomy and flexibility of programs and as a way to make these more suitable to the regional ethic and socio-economic conditions. Concurrently, federal standards ensure that a minimum of quality and uniformity of the system has been preserved which, at time, is at odds with the regional needs. Furthermore, regions have in general opted for public or publicly contracted early childhood service providers with few alternatives or private providers. Despite the fact that the federal authorities are trying to encourage the diversification of service provision by the year 2010, only 2 percent of preschools in Russia are private.

The Government of Yakutia has placed a high priority on increasing access to pre-school education given the very high unmet demand in the Yakutia region and is pursuing institutional and pedagogical innovations that will improve both the quality and cost-efficiency of pre-school provision. The proposed project would support these objectives.

**Sectoral and institutional Context**

**YAKUTIA’S GEOGRAPHY, EXTREME CLIMATE CONDITIONS AND ETHNICITY.** The Yakutia region (in Siberia), which is the size of India with a population of about 1 million, is closer to Mongolia and China than to Moscow. The region stretching from the Arctic in the north to the border with Mongolia in the south, is prone to extreme weather conditions (from plus 40 in summers to minus 70 degree Celsius during winters). Permafrost covers about 60 percent of its territory (which requires special techniques for construction). The population of Yakutia—some still reindeer herders/nomadic—amounts to 950,700 people. The share of urban population is 64.2 percent, and the density of the population is 0.3 people per square km (among the lowest in the world). While the population shares a common and strong cultural and regional identity and common ethical background, according to the Russia 2002 Census, Yakutia was inhabited by 127 ethnicities. The major ethnic groups are the Yakuts – 433 000 people (45.6 percent) and Russians (41.1 percent). The main languages of communication are Russian and Yakut. The pre-school education system offers choices in terms of the language of instruction, therefore, ensuring the right of a child to the education and care in the native language.

**YAKUTIA REGIONAL ECONOMY AND POVERTY LEVELS.** The Yakutia Republic, mineral and resource rich, is one of the wealthiest regions of Russia as measured by the per capita GRP, which is about 50 percent higher than the national average (US$11,200 vis-à-vis Russia’s GRP US$7,300). While this makes the Republic wealthy, it hides income differentials and a poverty level in the Republic which is significantly higher (19.4 percent) than the national average of 12.8 percent.

**THE YAKUTIA EDUCATION SYSTEM IS WELL DEVELOPED YET OPEN TO REFORM,** with challenges in terms of system effectiveness. General education usually starts at age seven and is compulsory for 11 grades (four primary and seven secondary, including three years of high-
school). There is near-universal completion of compulsory education, while the average grade repetition rate is less than one percent.

YAKUTIA ALSO HAS A STRONG UNIVERSITY SYSTEM, which includes a teacher training institute (higher education level) and two teacher training colleges (TVET level). Yakutsk city hosts the Federal North-Eastern University. Yakutia also has a distance education program targeting its nomadic populations; it includes teaching and learning materials as well as teacher training in mother tongue.

THERE IS AN EXTENSIVE ECD NETWORK IN YAKUTIA THAT CATERS TO DIFFERENT LANGUAGES. According to federal law, pre-school education services should be made available by regional and municipal authorities free of charge for all children of pre-school age (two months to seven years). Pre-primary education is generally provided through government-funded ECD centers, though the law also allows for alternative forms of service provision. In 2012, there were 755 ECD centers offering early childhood education in Yakutia, attended by 56,061 children, with a further 3,745 children following a pre-school program at a primary school. Of the ECD centers, 720 were municipal (incl. merged kindergartens and primary schools); 30 were subordinate to state institutions, Ministries or companies; and five were private. There is also an unknown number of private ECD centers that are “un-registered/unofficial” and provide unlicensed services; it is unofficially estimated that there are 50 such centers in urban centers of Yakutia. The ECD system offers choices in terms of the language of instruction, ensuring the child’s right to education and care in their native language. For nomadic children, access to ECD services can be achieved through an ECD center in the village where they settle for part of the year; in some cases, a mother supported by the center may also provide care and early childhood stimulation to the children during the months when the community is moving.

COVERAGE FOR EARLY CHILDHOOD EDUCATION IS NONETHELESS INADEQUATE AND DETERIORATING. There are approximately 104,000 children of pre-school age, of which 31,000 are on an official waiting list for a place in an ECD center. In 2012, 51 percent of children of pre-school age (up to seven years) were enrolled in a pre-primary education program. Pre-school coverage has declined slightly in recent years. There is near gender parity in pre-school coverage rates, with boys having an enrolment rate less than 0.3 percentage points higher than girls. In 2008, there were 44 ECD centers that either specialized in children with special education needs (SEN) or included specialized facilities.

THE EFFECTIVENESS OF THE YAKUTIA ECE SYSTEM IS UNCLEAR. There is some evidence that the returns to ECE in Yakutia are lower than elsewhere in Russia. For instance, results from PIRLS (2011) demonstrated that for Russia as a whole there was a correlation between ECE and a student’s reading proficiency at Grade Four - the difference between children with no pre-school experience and three or more years of ECE was 19 points. However, Yakutia’s overall score on PIRLS was 13 points below the national average, suggesting in part that its ECD system may not be as effective as elsewhere in Russia. Similarly, results from TIMMS (2011) demonstrated a similar correlation for Russia as a whole for math and science scores at Grade Four; the difference between children with no pre-school experience and 2-3 years ECE was 13 points. However, Yakutia’s overall score on TIMMS was approximately 40 points below the national average. The data for Yakutia must be interpreted with caution because they are derived from a sample that does not have the same statistical robustness as at the national level.
There are many contributing factors to Yakutia’s limited ECD coverage and system performance. These include Learning environment factors as well as System-wide and institutional factors:

1. Yakutia ECD infrastructure is inadequate to meet demand with 31,000 children on the waitlist. The relatively low ECD coverage is overwhelmingly due to a lack of spaces, predominantly in urban areas. Of the 31,000 children who are officially on the waiting list two-thirds of these children live in urban areas. The situation is particularly acute in Yakutsk city, where the waiting list exceeds 17,000. For children up to three, coverage is much lower but there is still substantial demand. Only 20 percent of children in this cohort are enrolled in a pre-school program, while 45 percent have been placed on the official waiting list.

2. Buildings are largely outdated, with some in emergency condition. Existing facilities range from dilapidated wooden buildings that are 75 years old or more to new, state-of-the-art yet costly constructions. Most buildings are 40-60 years old and are in constant need of repair. Only 33 percent of facilities had all the required amenities (running water, sewage and heating), with the highest proportion of outdated facilities being in the North.

3. There is no flexibility in the use of internal spaces. There is an extravagant allocation of space for single purposes, and amenities (such as sanitary facilities) are overly dispersed throughout the building. Communications between rooms is generally through corridors that serve no other purpose and take up 20-30 percent of building space. Some design shortcomings are related to existing regulations – fire, sanitary, and construction. As a result, a relatively large amount of space must be allocated for each enrolled child at the same time scarcely used by that child, making it both expensive to provide ECD services and inefficient in terms of space utilization, both affecting the opportunities to increase enrollment. These constraints all require innovative approaches to building design and use, as well as regulatory reform.

4. Certain aspects of design and construction also need to be rethought in light of improved construction practices and materials. This will require innovations in insulation practices, pile length and foundation construction. Field visits to existing ECD centers also showed that costs can be further optimized by employing modern construction techniques, increasing competitive contracting, and improving design.

5. Alternative ECD models are not used in full, particularly for the younger age cohort. There is room to increase offers outside of the traditional public ECD centers. Models include home-based groups under the care of a trained parent and affiliated with an ECD center, and part-day education-only groups in existing ECD centers and primary schools, but account for less than 3 percent today. Public-Private Partnership (PPP) arrangements may have some potential in large cities.

6. Teaching and learning practices as well as educational curricula can be improved. The Yakutia region requires additional efforts to support child-centered approaches in teaching and in curriculum. There are approximately 7,600 teachers working in ECD centers, for an average child:teacher ratio of 7.4 compared to 10.3 for Russia and 14.3 for the OECD. ECD centers are generally well equipped with teaching-learning materials, though in older and more remote ECD centers they tend to be in short supply, outdated and in poorer condition. Better quality may be ensured by the updated quality assurance (QA) based on supportive inspections as opposed to compliance.

7. Expenditures reflect strong commitment but provide opportunities for efficiency gains.
Public expenditures reflect the Republic’s strong commitment to education in general, and to early childhood development in particular. The consolidated public budget in 2012 for Yakutia allocated the equivalent of 7.6 percent of Gross Regional Product (GRP) to education equivalent to 1.3 percent of GRP, roughly double the OECD average, and higher than the percentage (0.8 percent) for Russia as a whole. While this level of spending reflects in part the Government’s commitment to quality and coverage, and the high costs of living, it also points to a potential for efficiency gains in spending. Neuroscience and longitudinal studies of ECD have found that prenatal care and experiences from birth to the first six years (0-6), affect physical and brain development of children, and, thereby, their cognitive and socio-emotional development in subsequent stages of their lives. The economic analysis of the Project showcased the positive NPV even if only half of mothers would go to labor market.

SHORT PROJECT DESCRIPTION

The project activities will focus on increasing the physical infrastructure capacity and quality of pre-school/early childhood development and provision. The Project would consist of two complementary components, in addition to an implementation support component.

Component 1: Increased Access to Improved Learning Environments. The objective of this component is to increase the number of places available in improved pre-school education and care centers. A total of 8,830 new places would be created, equivalent to covering 87 percent of all children aged 3-7 years on the official waiting list for ECD services. This component would finance: (i) construction of new ECD centers in urban areas, (ii) construction of new ECD centers and rehabilitation of existing buildings as ECD centers, in rural areas, and (iii) development of innovative designs for new and rehabilitated ECD centers.

Component 2: Innovations in ECD Systems and Service Delivery. The objective of this component is to improve the quality and efficiency of ECD services as well as to increase the provision of alternative forms of ECD services. This component is organized into three sub-components that support reforms and innovations: to promote education services quality; to manage the pre-school system more efficiently; and to expand access to ECD through alternative forms of services delivery.

Component 3: Project Management and Supervision. The objective of this component is to ensure that the project is managed efficiently and effectively. This component would finance project operating and monitoring costs, including salaries of the selected Project Implementation Unit (Bureau of Economic Analysis) staff and operating expenses such as translation/interpretation, utilities, equipment, audit, communications and supervision (transportation and per diem); as well as project-related monitoring and evaluation activities.

II. Proposed Development Objectives

The Project Development Objective is to improve the access to kindergarten places and improve the quality of early childhood care and education services in the Republic of Sakha (Yakutia).

III. Project Description

Component Name

1. Increased access to improved learning environments
The objective of this component is to increase the number of places available in improved pre-school education and care centers.

**Component Name**
2. Innovations in ECD systems and service delivery

**Comments (optional)**
The objective of this component is to improve the quality and efficiency of ECD services as well as to increase the provision of alternative forms of ECD services.

**Component Name**
3. Project Management and Supervision

**Comments (optional)**
The objective of this component is to ensure that the project is managed efficiently and effectively.

### IV. Financing (in USD Million)

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### V. Implementation

Implementation readiness and ownership: The development of the proposed project is being led by the President and Prime Minister of the Yakutia government exemplifying the strong level of commitment and ownership. A PIU (Bureau of Economic Analysis) has been selected through a competitive process.

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

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**Comments (optional)**
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