



<b>1. Project Data:</b>		<b>Date Posted :</b> 08/15/2002	
<b>PROJ ID:</b> P005726		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Higher Education Restructuring Project	<b>Project Costs (US\$M)</b>	126.3	77.5
<b>Country:</b> Tunisia	<b>Loan/Credit (US\$M)</b>	75.0	54.1
<b>Sector(s):</b> Board: ED - Tertiary education (96%), Central government administration (4%)	<b>Cofinancing (US\$M)</b>	0.0	0.0
<b>L/C Number:</b> L3456			
	<b>Board Approval (FY)</b>		92
<b>Partners involved :</b> None	<b>Closing Date</b>	12/31/1998	12/31/2001
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
Making the higher education system (a) more responsive to the country's needs, while at the same time being (b) more cost-effective.			
<b>b. Components</b>			
1. Creation of 5 Higher Institutes of Technology (ISET) (new type of institution) (\$75.2m base cost), including training 600 new teachers. ISETs were to train 1500 to 1800 technicians each in 5 departments covering industry and services, through an intensive 2000-hour program over 5 semesters including work experience and a project. The cost per graduate would be about half that of traditional university graduates. The ISETs would have a special legal status with flexible governance, management, curriculum, teaching, and admissions arrangements which would give them substantial freedom.			
2. National Program for University Improvement (PNRU)(\$31.0m base cost). This program provided incentives to improve the quality and occupational relevance of academic programs, and the universities' efficiency, in the form of funding which would be additional to the universities' regular budgets, but had to be competed for through the submission and open review of subprojects according to defined criteria.			
3. New sector management systems/capacity and new resource allocation system (\$6.1m base cost). These would include developing a norm-based allocation system for human, physical, and financial resources; managerial and maintenance capacities; a national evaluation committee and accreditation system; management training; and creation of new Ministry units to strengthen project management.			
<b>c. Comments on Project Cost, Financing and Dates</b>			
Cost and financing: Exchange rate changes during implementation left a loan balance at the scheduled closing date, that was used to include two more ISET and several more PNRU subprojects. Dates: Almost one year elapsed between approval and effectiveness because some political opposition to the proposed new terms of service for ISET faculty had been underestimated. The Closing Date was extended twice for a total of 3 years to accommodate this initial delay and to permit completion of the new activities.			
<b>3. Achievement of Relevant Objectives:</b>			
Achievements of the project components:			
1. ISET:			
The Ministry managed to create a new and highly innovative model institution. Five were completed and were in their fifth year, and a sixth reached the teacher training stage. 600 teachers completed the new training courses. Enrollments reached 17,000 or 8% of the total. Demand far exceeded the ISETs' capacity.			
2. PNRU:			
Twenty-one subprojects were financed, representing a total investment of \$ 14.7m. They were of two types: truly innovative ones, e.g., some new Ph.D. programs and a libraries' IT project, and those supporting reforms already in progress through the purchase of equipment. Subproject quality remained very uneven. The concept of a competition			

for project financing did not take hold.

### 3. Sector management and resource allocation:

The management information system was developed and put in place and its component files tested at a few universities. The national assessment board for university programs is in place, with a workplan including both self-assessment and outside evaluations. The management training program was put in place, was of very high quality, admissions were highly competitive, and it was producing about thirty diplomas per year.

Achievement of the ultimate project objectives -- namely, making the higher education system:

#### (a) More responsive to the country's needs:

This objective was achieved, largely through the creation of the ISET. These institutions train higher level technicians and middle managers through programs in skills key to the industrial and service sectors, of relatively short (2 1/2 years) duration and including internships. More than 80% of ISET graduates found work within 6 months of graduation. The ISET system has diversified Tunisian higher education, allowing the production of middle-level technicians and managers. Their links to the economy and flexible arrangements served as a model of in-depth reform of the entire higher education system. There was also limited improvement in universities through the introduction of a few new relevant programs and the strengthening of a few others. Finally, accreditation activities started under the project are beginning to bring further improvements.

#### (b) More cost-effective:

This objective was probably achieved, but the ICR has no unit cost figures to demonstrate this. The cost per graduate of ISET was expected to be half that of the traditional universities. In practice, both enrollments and staff numbers have exceeded original targets while students averaged 2.7 years to graduate; these outcomes probably did not eliminate the ISET's big unit cost advantage. Some of the PNRU subprojects may have improved the internal efficiency, and hence brought about a small increase in the cost-effectiveness, of the universities.

### 4. Significant Outcomes/Impacts:

1. A new type of post-secondary institution (ISET) has been created, with strong public demand, shorter market-related programs, and a good record of graduate placement (over 80% employed within 6 months of graduation). ISET probably have also improved the cost-effectiveness of the higher education system. There has been a much higher output of trained technical and managerial manpower for the economy. 600 effective new teachers for the ISET have been trained via a Tunisia-centered program.
2. Most universities have reviewed their curricula to strengthen their quality and students' academic attainment.
3. Sector management has improved through: (a) Creation of an accreditation mechanism and capacity, with the Ministry now involved in all new programs; (b) Development of a management information system; and (c) The strengthening of several Ministry of Higher Education units.

### 5. Significant Shortcomings (including non-compliance with safeguard policies):

1. PNRU competitive funding of program/course innovations with peer review was not accepted by academics and will not be continued post-project. The component design did not include sufficient incentives for faculty to participate as intended, and the program was insufficiently marketed to them.
2. The new MIS was not yet applied as intended to improve resource allocation.
3. Despite a lengthy consultation process with multiple stakeholders during project preparation, the Bank underestimated political opposition, e.g., to the new status for ISET teachers.
4. The monitoring and evaluation indicators, which were (re)defined at the mid-term review, did not permit clear judgments as to the achievement of the second major objective of the project (improved cost-effectiveness of the higher education system).

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome:</b>	Satisfactory	Satisfactory	
<b>Institutional Dev.:</b>	Substantial	Substantial	
<b>Sustainability:</b>	Likely	Likely	
<b>Bank Performance:</b>	Satisfactory	Satisfactory	
<b>Borrower Perf.:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR:</b>		Satisfactory	

NOTE: ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

### 7. Lessons of Broad Applicability:

1. Project success is enhanced by prior analytical work, a correspondence of proposed reforms with the government's own directions, broad consultations with the stakeholders affected, and the sustained commitment of officials responsible for implementation.
2. New educational institutions of good quality and with good prospects for employment of graduates are readily

accepted by students and parents

3. Competitive funding mechanisms in education are not successful in all circumstances .

**8. Assessment Recommended?**  Yes  No

**9. Comments on Quality of ICR:**

The quality of the ICR is satisfactory overall . Its judgments hit the main points and appear sound . Its ratings are OK on balance, although some project components (especially ISET) performed much better than others (especially PNRU).

The ICR paraphrases the SAR re ultimate project objectives, adding to the second objective of cost -effectiveness something on improving performance in human terms . It would be better to stick exactly to the originals as the basis for judgments. A discussion of performance in improving the cost-effectiveness of the higher education system is missing, a significant gap. Re monitoring and evaluation, the ICR (para. 3.4) overlooks the set of indicators included (albeit without targets) in the SAR (para. 3.22).