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Report No: PP2101

PROJECT PAPER

ON A

PROPOSED GRANT

IN THE AMOUNT OF US$ 2.1 MILLION

TO THE

KINGDOM OF LESOTHO

FOR A

LESOTHO BASIC EDUCATION IMPROVEMENT PROJECT

February 23, 2017

(Exchange Rate Effective as of February 23, 2017)
Currency Unit = Lesotho Maloti (LSL)
LSL 13.08 = US$1

FISCAL YEAR
April 1 – March 31

ABBREVIATIONS AND ACRONYMS

CPAR	Country Procurement Assessment Report
DoP	Department of Planning
DRT	District Resource Teacher
ECCD	Early Childhood Care and Development
ECoL	Examinations Council of Lesotho
EFA	Education for All
EMIS	Education Management Information System
FTI	Fast Track Initiative
GDP	Gross Domestic Product
GPE	Global Partnership for Education
IDA	International Development Association
IFR	Interim Financial Report
IPF	Investment Project Financing
ISP	Implementation Support Plan
JCE	Junior Certificate Examination
LEG	Local Education Group
LEQEP	Lesotho Education Quality for Equality Project
M&E	Monitoring and evaluation
MDP	Ministry of Development Planning
MoET	Ministry of Education and Training
MoF	Ministry of Finance
NCDC	National Curriculum Development Center
NJCTL	New Jersey Center for Teaching and Learning
OVC	Orphan and Vulnerable Children
PDO	Project Development Objective
PFU	Project Facilitation Unit
PMI	Progressive Math Initiative

PSI	Progressive Science Initiative
PSLE	Primary School Leaving Examination
SACU	Southern African Customs Union
SIP	School Improvement Plan
SRC	School report card

Regional Vice President:	Makhtar Diop
Country Director:	Paul Noumba Um
Acting Global Practice Senior Director:	Amit Dar
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KINGDOM OF LESOTHO
Basic Education Improvement Project

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APPRAISAL DATA SHEET

Lesotho

Lesotho Basic Education Improvement Project (P160090)

PROJECT PAPER

AFRICA

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Report No.: PP2101

Basic Information			
Project ID P160090	EA Category C - Not Required		Team Leader(s) Harisoa Danielle Rasolonjatovo Andriamihamina
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints [ ]		
	Financial Intermediaries [ ]		
	Series of Projects [ ]		
Project Implementation Start Date 31-Aug-2017	Project Implementation End Date 31-Aug-2020		
Expected Effectiveness Date 31-Aug-2017	Expected Closing Date 31-Aug-2020		
Joint IFC No			
Practice Manager/Manager Halil Dundar	Senior Global Practice Director Amit Dar	Country Director Paul Noumba Um	Regional Vice President Makhtar Diop

Approval Authority
Approval Authority
CD Decision

Borrower: Ministry of Finance			
Responsible Agency: Ministry of Education and Training			
Contact:	Lineo Mokitimi	Title:	Director of Planning
Telephone No.:	266-63008661	Email:	lineomokitimi@gmail.com

Project Financing Data(in USD Million)			
Total Project Cost:	2.10	Total Bank Financing:	0.00
Financing Gap:	0.00		

Financing Source	Amount
EFA-FTI Education Program Development Fund	2.10
Total	2.10

Expected Disbursements (in USD Million)

Fiscal Year	2017	2018	2019	2020	2021	0000	0000	0000	0000	0000
Annual	0.00	0.53	0.97	0.59	0.01	0.00	0.00	0.00	0.00	0.00
Cumulative	0.00	0.53	1.50	2.09	2.10	0.00	0.00	0.00	0.00	0.00

Institutional Data

Practice Area (Lead)

Education

Contributing Practice Areas

Proposed Development Objective(s)

The proposed project development objective (PDO) is to improve basic education service delivery and student retention in targeted schools.

Components

Component Name	Cost (USD Millions)
Component 1: Improving the Teaching and Learning Environment in Targeted Primary Schools and Associated Pre-Primary and Junior Secondary Schools	1.15
Component 2: Strengthening School Accountability for Student Learning and Retention in Targeted Schools	0.37
Component 3: Strengthening Institutional Capacity and Project Management	0.58

Compliance

Policy

Does the project depart from the CAS in content or in other significant respects?	Yes [ ] No [X]

Does the project require any waivers of Bank policies?	Yes [ ]	No [X]
Have these been approved by Bank management?	Yes [ ]	No [ ]
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No [ ]

Safeguard Policies Triggered by the Project	**Yes**	**No**
Environmental Assessment OP/BP 4.01		**X**
Natural Habitats OP/BP 4.04		**X**
Forests OP/BP 4.36		**X**
Pest Management OP 4.09		**X**
Physical Cultural Resources OP/BP 4.11		**X**
Indigenous Peoples OP/BP 4.10		**X**
Involuntary Resettlement OP/BP 4.12		**X**
Safety of Dams OP/BP 4.37		**X**
Projects on International Waterways OP/BP 7.50		**X**
Projects in Disputed Areas OP/BP 7.60		**X**

Legal Covenants

Name	**Recurrent**	**Due Date**	**Frequency**
Schedule 2, Section I.A.2(c)	**X**		CONTINUOUS

Description of Covenant

Without limitation upon the provision of paragraph 2(b) of Schedule 2, Section I.A, the Recipient shall maintain within the Ministry of Education and Training (MoET) a facilitation unit (Project Facilitation Unit) with functions, staffing, resources and terms of reference satisfactory to the World Bank, for the purpose of supporting the MoET in the day-day management, coordination and implementation of the Project.

Name	**Recurrent**	**Due Date**	**Frequency**
Schedule 2, Section I.A.3(a)	**X**		CONTINUOUS

Description of Covenant

Without limitation upon the provision of Section I.A.2 of Schedule 2, the Recipient shall at all times during the implementation of the Project, maintain the Inspectorate of Schools with functions, staffing, resources and responsibilities satisfactory to the World Bank.

Name	**Recurrent**	**Due Date**	**Frequency**
Schedule 2, Section I.B.2(a)	**X**		Yearly

Description of Covenant

No later than May 1st in each Fiscal Year of the Recipient (or one month after the Effective date for the first year of Project implementation), the Recipient shall prepare and furnish to the World Bank a draft annual work plan and budget for the Project for the subsequent Fiscal Year of Project implementation, of such scope and detail as the World Bank shall have reasonably requested.

Conditions		
Source Of Fund	**Name**	**Type**
FTIE	Schedule 2, Section IV.B.1(b)	Disbursement

Description of Condition

Withdrawal of the funds allocated to Category 2: Notwithstanding the provisions of Part A of Section IV under Schedule 2 of the Financing Agreement, no withdrawal shall be made in respect of any SIP Grant under Category (2), unless the Recipient has adopted the SIP Manual, in a manner acceptable to the Association.

Team Composition

Bank Staff

Name	Role	Title	Specialization	Unit
Harisoa Danielle Rasolonjatovo Andriamihamina	Team Leader (ADM Responsible)	Senior Education Specialist	Education	GED13
Chitambala John Sikazwe	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist	Procurement	GGO01
Tandile Gugu Zizile Msiwa	Financial Management Specialist	Sr Financial Management Specialist	Financial Management	GGO25
Aissatou Diallo	Team Member	Senior Finance Officer	Finance	WFALN
Chingboon Lee	Team Member	Consultant	Education	GED01
Christian A. Rey	Team Member	Consultant	Implementation	GED01
Dharini Natarajan	Team Member	Operations Analyst	Education	GED01
Edith Ruguru Mwenda	Counsel	Senior Counsel	LEGAM	LEGAM
Edmund Motlatsi Motseki	Team Member	Operations Officer	Operations	AFMLS
Emilie Suarez Santos	Team Member	Legal Analyst	LEGAM	LEGAM
Janet Omobolanle Adebo	Team Member	Program Assistant	Operations	GED13
Jean O Owino	Team Member	Finance Analyst	Finance	WFALA
Kisa Mfalila	Safeguards Specialist	Senior Environmental Specialist	Environment	GEN01
Mariame S. Koita	Team Member	Consultant	Operations	GED01
Natalia Cherevatova	Team Member	Operations Officer	GPE focal point	GEDDR
Nelly Rakoto-Tiana	Team Member	Consultant	Economist	GED13
Shilpa Challa	Team Member	Consultant	Education	GHN01
Vidya Narasimhan	Team Member	Finance Officer	Finance	WFALA

Extended Team

Name	Title	Office Phone	Location

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Lesotho	Thaba-Tseka	Thaba-Tseka	**X**		
Lesotho	Qacha's Nek	Qacha's Nek	**X**		
Lesotho	Mohale’s Hoek	Mohale’s Hoek District	**X**		
Lesotho	Maseru	Maseru	**X**		
Lesotho	Mafeteng	Mafeteng District	**X**		
Lesotho	Leribe	Leribe District	**X**		
Lesotho	Butha-Buthe	Butha-Buthe	**X**		

I. STRATEGIC CONTEXT

A. Country Context

1. **The Kingdom of Lesotho (Lesotho) is shifting its economic model from a largely public sector–driven one to an export-led model to reduce poverty and promote shared prosperity.**[1] This small, mountainous, landlocked country has a population of roughly 2 million. Its gross national income per capita is US$1,350, but it has only a few manufacturing sectors, such as textiles, acting as drivers of growth in addition to agriculture and tourism. Its main exports are textiles, water, and diamonds. As a member of the Common Monetary Area, its national currency—the Lesotho Maloti—is pegged to the South African Rand. Lesotho is also part of the Southern African Customs Union (SACU), a union of Botswana, Lesotho, Namibia, South Africa, and Swaziland through which members pool the customs duties and excise taxes they collect and redistribute the funds among the five member states. It is expected that SACU revenues will decline over the next three years[2], possibly contributing to domestic fragility.

2. **Lesotho faces entrenched inequality and deep poverty despite having achieved middle-income status.** The average annual gross domestic product (GDP) growth rate was approximately 4.5 percent over the past five years but is projected to slow to 2.5 percent in 2016.[3] Poverty is widespread, persistent, and deep, especially in rural areas. The poverty rate has remained unchanged since 2003 at approximately 57 percent, and inequality increased from a Gini coefficient of 0.51 in 2002/03 to 0.54 in 2010/11[4] and is expected to increase to 0.56 by 2020[5]. Lesotho also had a very high poverty gap (approximately 30 percent) in 2010 for a country of its income level and fares worse than most African countries in terms of shared prosperity.[6] There is a strong geographic pattern to poverty incidence, with poverty high in rural areas and more than half of the population living in remote, difficult-to-access mountainous areas.

3. **Human development outcomes in Lesotho are far below average for the region and its income level.** In 2014, Lesotho ranked 162 out of 187 countries on the UN Development Programme Human Development Index. Lesotho has the world's second highest prevalence of adult human immunodeficiency virus and acquired immunodeficiency syndrome, at approximately 23.6 percent,[7] the highest incidence of tuberculosis (852 cases per 100,000 people),[8] a low life expectancy of 49 years, and infant mortality of 59 per 1,000 live births. It has a low primary school completion rate (64 percent in 2014), and the adult literacy rate in Lesotho of 76 percent in 2009 had fallen from 86 percent in 2000 but was still above the sub-

[1] Lesotho Systematic Country Diagnostic, World Bank, 2015.
[2] SACU revenues dropped from 33 percent of GDP in 2009/10 to 15 percent of GDP in 2011/12, rose to 29.2 percent of GDP in 2014/15, and are expected to drop to 16.3 percent of GDP in 2016/17.
[3] Lesotho Country Partnership Framework, World Bank, 2016.
[4] Household Surveys, 2002/2003 and 2010/2011.
[5] Lesotho Country Partnership Framework , World Bank, 2016.
[6] Lesotho Systematic Country Diagnostic, World Bank, 2015.
[7] Lesotho Country Partnership Framework, World Bank, 2016.
[8] World Health Organization Global TB Report, 2015.

Saharan African average of 60 percent in 2010. Lesotho's climatic vulnerabilities to phenomenon such as El Niño exacerbate these outcomes. The 2015/16 El Niño and drought are expected to leave a large share of the rural population food insecure through the March 2017 harvest.[9]

B. Sectoral and Institutional Context

4. **Lesotho has made substantial gains in education service delivery[10] with the introduction of free primary education on a phased basis between 2000 and 2006.** Nearly all children start out attending school in Grade 1 (figure 1), and approximately 67 percent of children are still in school by the end of primary school (Grade 7), up from 41 percent in 2006.[11] Enrollment in preschool has also more than doubled, from 19 percent in 2000 to approximately 41 percent in 2012.[12] For children who do not enter primary school (4.5 percent), gender and, more importantly, geographic location matter, with mountainous districts having lower enrollment. Unlike most African countries that struggle with education access for girls, Lesotho has higher access rates for girls because of the economic and cultural practice of herding among boys; two percent of girls and five percent of boys younger than 15 are not enrolled in school.[13]

5. **Public spending for education is very high, but overall resource efficiency is low.** In a climate of high government expenditure, Lesotho spends 8.4 percent of its GDP on education, which is the highest among 16 southern African countries, although despite the significant public spending on education, it offers only 1.33 years of schooling for every 1 percent of GDP spent, in comparison with the regional average of 2.31 years and 3.8 years in countries like Madagascar. Taking into account the level of economic development and the share of rural population, Lesotho spends an estimated 40 percent more than more than the 16 comparator countries[14] near Lesotho to provide comparable educational coverage. The high cost of labor

[9] Lesotho Country Partnership Framework, World Bank, 2016.

[10] The structure of the education system is as follows: seven years of primary school (Grades 1–7), three years of junior secondary (Grades 8–10), two years of senior secondary (Grades 11–12), and technical and vocational education and training and tertiary (university) education. Basic education comprises preprimary, primary, and junior secondary education. At the end of each of these levels (Grades 7, 10, and 12), students take national examinations that determine whether they will move from that level to the following one. Starting in 2017, the government decided to eliminate the exam at the end of primary school. The majority of schools are private (owned by churches), with only 15 percent of schools belonging to the government or local community.

[11] The gross cohort survival rate as reported in the Education Management Information System (EMIS) (2013). This figure (67 percent) is the portion of the cohort that began school in Grade 1 in 2007 who completed primary school in 2013, whereas 41 percent refers to the portion of those who started Grade 1 in 2000 and completed primary in 2006. The gross cohort survival rate includes repeaters from the previous year's cohort.

[12] Lesotho Education Sector Diagnostic, Ministry of Education and Training (MoET), May 2016.

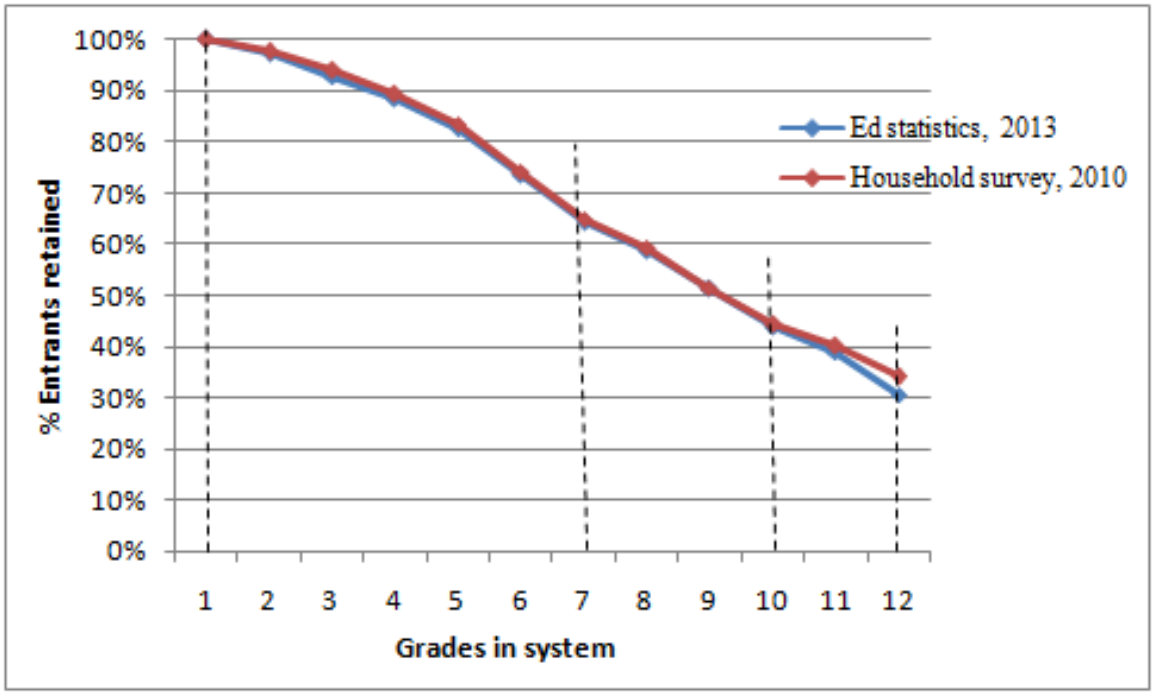
[13] Continuous Multipurpose Survey/Household Budget Survey, 2010.

14 South Africa, Angola, Botswana, Burundi, Cameroon, Comoros, Kenya, Madagascar, Malawi, Mozambique, Namibia, Rwanda, Swaziland, Uganda, Tanzania, Zimbabwe.

continues to be problematic, with the increasing teachers' wage bill,[15] and the large number of grants for students for higher education is a strain on the education budget.

6. **The education system is not equipping students with the skills needed for the labor market** and is contributing to the country's high unemployment rate of 38 percent.[16] High levels of repetition and dropout at the primary and junior secondary levels suggest that children are not acquiring key skills provided at these levels. The low quality of mathematics and science education provided leaves secondary school graduates ill prepared for higher education and training in science, technology, engineering, and mathematics, where skills are greatly needed for economic growth.

Figure 1. Retention Profile for Primary and Secondary Education



Source: Lesotho Education Sector Diagnostic, Ministry of Education and Training, May 2016

Key Challenges

7. **Poor retention rates at the primary and junior secondary levels are serious challenges.** Despite 95.5 percent access to Grade 1, only 62 percent of students complete primary school.[17] This problem of retention continues into secondary school, where retention rates are 75 percent in junior secondary and 85 percent in senior secondary. Only approximately 42 percent

[15] With the increasing number of teachers (and the increased amount devoted to salary), MoET employs 45 percent of all of the country's civil servants which accounts for 64 percent of the national wage bill (Lesotho Public Sector Modernisation Project).
[16] Lesotho Country Partnership Framework, World Bank, 2016.
[17] Lesotho Education Sector Diagnostic, MoET, May 2016.

of the cohort that enters Grade 1 completes junior secondary school, and 32 percent completes senior secondary school. The low retention rates suggest a high number of dropouts over the schooling cycle, although contrary to the experience in other developing countries, where students tend to drop out when transitioning from one level of education to the next, Lesotho has high transition rates of 91 percent from primary to junior secondary and 90 percent from junior secondary to senior secondary.[18] Dropout therefore is more common *within* rather than *between* the levels of education.

8. **Late entry and high repetition rates throughout the primary cycle contribute to overage students and poor retention.** Although six is the official age of school entry, only 39 percent of six-year-old children are enrolled in school, although the enrollment rate jumps to 80 percent for seven-year-olds, 86 percent for eight-year-olds, and 90 percent for nine-year-olds. Anecdotal evidence suggests that children enroll late in Grade 1 because parents may consider their children too small to start Grade 1 or to walk long distances to primary school. According to the recently completed Education Sector Diagnostic, primary dropouts typically occur after the age of 12 years (or after Grade 4), after a few grades of repetition.[19] At age 12, 5 percent of children who were enrolled have dropped out, and fewer than 30 percent are in the appropriate grade.[20] Looking at the older students, 18 percent of 15-year-olds, whose appropriate grade level is Grade 10, have dropped out of school, and 69 percent are still in primary school.[21] Evidence suggests that early childhood education programs can significantly reduce grade repetition and improve student success.[22]

9. **Certain characteristics such as gender, economic status, and geography put students at a higher risk of dropping out of primary school, and fee policies and lack of secondary schools in remote rural areas contribute to limited demand for and access to secondary school.** According to 2010 Household Survey data, at the primary level, 40 percent of students from rural areas, in comparison with 17 percent from urban areas, drop out of primary school before reaching Grade 7.[23] On average, 27 percent of girls and 43 percent of boys do not

[18] These figures are significantly higher than those that the Education Planning Department is currently producing of 74.6 percent between primary and junior secondary and 71.9 percent between junior and senior secondary for 2013. This is a result of the difference in calculation methods. The Education Planning Department uses the calculation based on the U.N. Educational, Scientific, and Cultural Organization (UNESCO) definition of the transition rate. This calculation relates the number of nonrepeaters in the first class of a cycle to the number of students in the last class of the preceding cycle. When the proportion of repeaters in that later class is relatively high (as in the case of Lesotho), this leads to an artificially deflated number that is below that of the effective transition rate. The figures proposed here correspond to the chances of an individual who gets to the last grade of a level of study to eventually (after one try, but possibly two or three tries) reach the first grade of the next level of study. Lesotho Education Sector Diagnostic, MoET, May 2016.

[19] An automatic promotion policy for early grades was put into place over the past few years, but not all primary schools adopted it. It is currently under internal review in the MoET.

[20] If a child starts Grade 1 on time (at age 6) they should be 12 years old in Grade 6 or 7. Seventy percent of 12-year-olds are in Grade 5 or lower (Continuous Multipurpose Survey, 2010).

[21] Continuous Multipurpose Survey, 2010.

[22] Barnett, S.W. 1995. "Long-Term Effects of Early Childhood Programs on Cognitive and Social Outcomes." *The Future of Children* 5(3): 25-50.

[23] Lesotho Education Sector Diagnostic, MoET, May 2016.

complete Grade 7.[24] In addition, poorer children are more likely to drop out.[25] At the secondary level, households contribute up to 49 percent of total expenditures for junior secondary education, whereas they contribute up to 30 percent of total expenditures for primary education. Only 22 percent of students at the junior secondary level receive scholarships. As a result of these and other factors, poor students and students living in rural areas are underrepresented at the secondary education level.[26]

10. **The quality of primary education is low, with Lesotho lagging behind the regional average in learning outcomes for reading and mathematics.** The average scores for Grade 6 students on the 2007 Southern and Eastern Africa Consortium for Monitoring Educational Quality III show that the level of learning is the third lowest among 14 countries in the southern African region in spite of slight improvements since 2000. Lesotho is the third-lowest-performing country in terms of English reading and the fourth lowest in math. The quality of primary schooling also varies according to geography, with the majority of the poorest-performing schools in rural areas.[27] On average, only approximately 65 percent of students pass the Primary School Leaving Examination (PSLE) in schools in rural areas, where the average dropout rate is 17.9 percent and the average proportion of repeaters is approximately 14 percent (compared to national averages of 9 percent on each measure). Furthermore, these schools do not have the teaching and learning resources needed for teaching and learning in the classroom.

11. **There is fairly good preschool coverage in Lesotho relative to other countries in the region, but the quality of service delivery is still low.** With 61,013 children enrolled in preprimary schools[28] in 2012 and a gross enrollment rate of 40 percent, enrollment in preschool has more than doubled since 2000.[29] In spite of a high pupil-to-teacher ratio (18:1), the quality of service is low because teachers are poorly trained, and the curriculum is

[24] Based on anecdotal evidence, more boys tend to drop out of primary school than girls as they take up the cultural practice of herding.

[25] The primary completion rate is 49 percent for children from the poorest families (households with monthly earnings less than LSL 300), 64 percent for households with monthly earnings between LSL 300 and LSL 1,000, and 76 percent for children from the richest households (monthly earnings more than LSL 1000).

[26] According to the 2010 Household Survey data, 30 percent of households earn less than LSL 300 per year, yet only 20 percent of junior secondary enrollment consists of children from these poorest families. By comparison, 35 percent of households earn more than LSL 1,000 per month, yet 45 percent of junior secondary students come from this richest group. Similarly, a majority of the 340 secondary schools are located in less-remote lowland areas, and only 67 percent of junior secondary students come from rural households even though 77 percent of the population resides in rural areas according to the 2010 Household Survey data.

[27] Three hundred (approximately one-fifth of the total number of primary schools) of the poorest-performing schools were identified based on dropout rates, percentage of repeaters, PSLE success rates, resources available in classrooms, and poverty rates.

[28] Preprimary schools in Lesotho are organized as reception classes, center-based preschools and home-based services. Reception class is one year preprimary class that is added to public primary schools.

[29] The average gross enrollment rate across 14 countries in the sub-Saharan Africa region was approximately 33 percent.

outdated.[30] As a result, Basotho children are not given the opportunity to acquire cognitive skills for personal development and do not have adequate preparation for participation in primary education.

12. **Student learning outcomes are low at the secondary level, particularly in mathematics and science.** As a result of low-quality primary schooling, students enter junior secondary school with limited knowledge of mathematics and science. According to the 2015 PSLE results, of the 40,063 candidates who took the PSLE in Grade 7, more than 25 percent failed in math, approximately 16 percent failed in science, fewer than 22 percent obtained first class pass in math, and approximately 16 percent obtained first class in science.[31] Although the exam pass rates at the end of the junior and senior secondary levels have improved over the past few years, they are still relatively low, at 70 percent for the Junior Certificate Examination (JCE) and 50 percent for the General Certificate of Secondary Education in 2014.[32] Only 20 percent of students passed mathematics, and only 23 percent passed science on the JCE.[33] The poor performance of secondary students in mathematics and science is a result of several factors, including lack of preparedness of students when leaving primary school; lack of clear sequencing between primary and secondary curriculum; and low quality of teaching at the secondary level in mathematics and science, as well as a limited supply of learning and teaching materials.

13. **A number of factors related to education service delivery are causing the low learning outcomes in primary and secondary education, including limited teacher pedagogical competency and subject mastery, low attendance and time on task, and inadequate resources for teaching.** High teacher absenteeism and low teacher time on task reduce classroom instruction time, and teachers' limited content knowledge, lack of induction mechanism, inadequate in-service training, particularly for teachers in remote areas, and clear in-service support negatively affect the quality of instruction. Primary schools have received and are using new textbooks for Grades 1 to 4[34] but do not have any supplementary materials that help build the foundations of literacy[35]. A number of secondary schools were also lacking textbooks in some critical subjects, including mathematics and science.

14. **Finally, the poor governance of schools, characterized by the lack of accountability of service providers for performance, has constrained local initiative to improve education**

[30] The early childhood care and development curriculum was developed in 1998 and does not include emerging challenges such as human immunodeficiency virus and acquired immunodeficiency syndrome, disabilities, and children younger than 3 years of age.

[31] Compared with 63 percent in Sesotho, 41 percent in English, and 36 percent in social studies. Pass rate in PSLE is classified into three classes: first-class pass (best performance), second-class pass, and third-class pass (minimum pass rate).

[32] The PSLE is the national exam at the end of primary school, the JCE is the national exam at the end of junior secondary school, and the General Certificate of Secondary Education is the national exam at the end of senior secondary school.

[33] A passing score is a grade of 50 percent or higher.

[34] From the previous Global Partnership for Education (GPE) Education For All (EFA) Fast Track Initiative (FTI)-III Project. The complete project title is EFA Fast Track Initiative Catalytic Fund Grant for Lesotho Project (P116426).

[35] This applies also to many preschools, which lack key learning materials.

outcomes. The government requires all schools in Lesotho to establish a school board comprising prominent members of the community, the school principal, and the local councilor or his or her designate, as well as nominees of school owners, teachers, and parents. The purpose of the school board is to oversee the management and proper functioning of schools, although they are often not able to perform this role for a number of reasons, including weak capacity and lack of accountability (community unable to hold the school board accountable), lack of understanding of board members of their role and responsibilities, lack of leadership and school management skills of school principals, and limited knowledge of community stakeholders of what is happening in schools. Unless these challenges are addressed, it is likely that poor school governance will continue to hamper efforts to improve student retention and learning.

Government Efforts to Address Key Challenges

15. **The government has implemented several measures over the past few years to address the challenges related to access and equity at the preprimary, primary, and secondary education levels.** In 2013, early learning standards were developed, a review of the basic education curriculum and assessment began, and the O levels were localized.[36] The government also introduced a child-friendly schools Initiative and a national school feeding policy in 2014. In addition, the US$20 million Global Partnership for Education (GPE)-supported Education for All (EFA) Fast Track Initiative (FTI)-III Project that closed in April 2015 supported various preprimary and primary education initiatives, including establishment of preprimary reception classes, provision of primary textbooks, and construction of primary classrooms. The proposed project will complement recent gains in terms of a better teaching and learning environment, deepening the focus on education quality while expanding the scope of support to include secondary education.

16. The government is working with the World Bank and other partners in undertaking analytical work to identify effective interventions in early childhood care and development (ECCD), nonformal education, and some construction work to build new schools and facilities. Table 1 provides a list of all development partners and interventions undertaken.

Table 1. Interventions supported by development partners (current and recent activities)

Development Partner	Interventions
U.N. Children's Fund	• Support to 50 nonformal education centers and nonformal education analytical work • Capacity building to the Ministry of Education and Training for ECCD policy and strategic plan implementation and dissemination • Support to the Education Management Information System on data collection for all levels of education, data capture, and data cleaning

[36] "O level" or the *General Certificate of Education Ordinary Level* is the lower of the two main levels of examination taken at the end of secondary school and that makes up the Cambridge Overseas School Certificate.

Development Partner	Interventions
	• Sensitization of inspectors and district resource teachers to child-friendly standards and disability and training of teachers on child-friendly standards and disabilities
U.N. Education	• Establishment of community-learning centers for ECCD, literacy, and technical and vocational education and training • Establishment of community radio stations • Establishment of mobile libraries • Promotion of mathematics and science for female students • Entrepreneurship training, including Student Planning Entrepreneurship Program
China	• Construction of a new government high school in Sehlabeng sa Thuathe • Construction of Leribe technical and vocational education and training institution
African Development Bank	• Construction of seven secondary schools, five mathematics and science laboratories in existing schools, and two dormitories • Equipment for technical and vocational education and training workshops
Japan International Cooperation Agency	• Construction of eight new secondary schools and renovation of four secondary schools
Vodacom Lesotho Foundation	• iSchool project piloted in five primary schools in four districts of Lesotho[37]
Peace Corps	• Community-based school construction and support to education quality
Nongovernmental organizations	• Lesotho Communications Authority—development of educational information and communications technology policy • World Vision—construction of classrooms, libraries, and fences; in-service teacher training • Catholic Relief Services—construction of ECCD centers, in-service teacher training for ECCD teachers, development and distribution of learning and teaching materials for ECCD • Technology for Economic Development—Water Sanitation and Hygiene (WaSH) campaigns and construction of latrines • Campaign for Education Forum—advocacy for education financing by private sector • Help Lesotho—scholarships for junior and senior secondary students • Action Aid—construction of classrooms • Lesotho Association of Non-Formal Education—support of nonformal education centers • Sentebale—support for nonformal education and special education

ECCD: early childhood care and development

Alignment with other projects

[37] iSchool consists of introducing preloaded tablets in Grade 4 during the 2014–15 school year.

17. **The US$25 million Lesotho Basic Education Quality for Equality Project (LEQEP)** (P156001) **financed by the International Development Association (IDA) aims to address challenges with basic education service delivery and student retention in targeted primary and junior secondary schools.** This credit became effective on July 8, 2016. The proposed operation has the same focus as the LEQEP in terms of improving the teaching and learning environment at the basic education level and raising student retention using a school-based management model. In particular, the proposed operation aims to strengthen numeracy and literacy education at the primary level and mathematics and science education at the junior secondary level through in-service teacher training, better teacher support networks and supervision, supply of teaching and learning materials, and piloting of a new mathematics and science education model. Furthermore, to enhance school governance and address dropout, school boards will be trained to develop school improvement plans (SIPs) and will be provided grants to implement them. The project targets the 300 poorest-performing primary schools[38] across all districts in Lesotho and 65 junior secondary schools in their catchment areas[39]. The project will be implemented from 2016 to 2021.

18. **A number of other IDA projects (which recently became effective) have been designed to address key challenges in education access and efficiency, notably the transport, social protection, and public sector modernization projects.** More specifically, the IDA-financed Bank Transport Infrastructure and Connectivity Project (P155229) is expected to contribute to improving students' access to schools by developing better local access roads and small bridges in remote mountain communities. To support access to secondary education for the poorest families, a bank social assistance project (P151442) is expected to evaluate the existing orphan and vulnerable children[40] (OVC) bursary and child grants programs and reform the scheme to improve its targeting mechanism to assist with direct and indirect costs and promote accessibility of secondary school, addressing some demand-side constraints.[41] Moreover, Bank Public Sector Modernization Project P152398 has been developed to assist the MoET in developing an electronic human resource management system for teachers at the national and district levels and undertaking a teacher headcount to strengthen teacher management, among other activities.

[38] A set of five objective, transparent criteria were used to determine the poorest-performing primary schools: dropout rate, percentage of repeaters, PSLE success rate, cost unit, and poverty index.

[39] Junior secondary schools that serve primary schools in a given area.

[40] The high prevalence of prevalence of adult human immunodeficiency virus and acquired immunodeficiency syndrome has an impact on the number of orphans and vulnerable children at schools and their performance at school.t

[41] Three of Lesotho's main social assistance programs target school-aged children, the two OVC bursary programs and the child grants program. The two OVC bursary programs (which target OVCs younger than 18 enrolled in secondary school) provide funding directly to schools to cover school fees for these students. The Ministry of Social Development manages one of the bursary programs, and the Manpower Secretariat in the Ministry of Development Planning manages the other. The Ministry of Social Development run, the child grants program, which provides cash transfers to poor households with children younger 18 in five of Lesotho's 10 districts. Under the recently approved IDA-funded US$20 million Social Assistance Project, the two OVC bursary programs will be consolidated for greater efficiency, and the child grants program is expected to be extended to all districts in Lesotho to reach a total of 50,000 poor households.

C. Higher-Level Objectives to Which the Project Contributes

19. **Similar to the LEQEP, the proposed project will support the government in its efforts to** improve the equity of basic education and enhance the skills of Basotho students, with the aim of contributing to positive social and economic outcomes particularly for the poorest citizens. The proposed project is also fully aligned with the 2016–2020 Country Partnership Framework [42]—supporting the Country Partnership Framework focus area on the "efficiency and effectiveness of the public sector," which includes improving basic education service delivery and addressing the low retention of students through the schooling cycle. The project is also aligned with GPE strategic goals and objectives because the project's three components are expected to support achievement of GPE goals and objectives to improve equity, efficiency, and learning outcomes in basic education.

II. PROJECT DEVELOPMENT OBJECTIVES

A. Project Development Objective

20. Like LEQEP, the proposed project development objective (PDO) is to improve basic education service delivery and student retention in targeted schools.[43]

21. As agreed with the government and the local education group (LEG), the proposed GPE-funded project (in the amount of US$2.1 million) will address the same key issues in the education system as LEQEP and will have the same objective and similar scope but will target additional schools that are among the next-lowest-performing primary schools and preprimary and junior secondary schools in the same catchment areas[44].

Project Beneficiaries

22. The project is expected to benefit approximately 5,100[45] beneficiaries by early 2020. This figure includes 4,100 students from 20 primary schools; 900 students from six junior secondary schools in the same catchment areas; 173 preprimary, primary, and junior secondary teachers; and 26 school boards[46] (which includes school principals and school heads).

PDO-Level Results Indicators

23. The proposed PDO-level indicators are:

[42] The World Bank Board of Executive Directors approved the Country Partnership Framework in June 2016.
[43] Basic education comprises seven years of primary (Grade 1–7), and three years of junior secondary (Grade 8–10). However, preprimary contributes directly to the achievement of the PDO as preprimary quality has positive impacts on basic education and improve equity.
[44] Preprimary and secondary schools that serve the targeted primary schools.
[45] The total is 5,119 in 2019/20 which has been rounded to 5,100.
[46] Approximately 160 members.

(i) Improvement in teacher content knowledge in targeted primary schools
(ii) Improvement in teacher content knowledge in targeted junior secondary schools
(iii) Reduction in dropout rate (Grade 1–Grade 6) in targeted primary schools
(iv) Reduction in dropout rate (Grade 8–Grade 9) in targeted junior secondary schools

24. Improvement in teacher content knowledge in primary schools is determined according to performance of Grade 1–4 teachers on a written exam testing competencies in numeracy and literacy. For junior secondary, improvement in teacher content knowledge is determined according to performance of Grade 8–10 teachers on a written exam testing competencies in mathematics and science.

25. Dropout rate is measured as the proportion of pupils from a cohort enrolled in a given grade in a given school year who are not enrolled the following year. This project uses dropout rate as an indicator of student retention because it assesses the ability of the system to retain children at school by measuring the proportion of students (from a given cohort) who leave school without completion. For a given school, a high dropout rate implies a low retention rate.[47] In addition, it is one of the key indicators for analyzing and projecting pupil flows from grade to grade within the educational cycle.[48]

III. PROJECT DESCRIPTION

A. Project Components

26. The proposed project would build upon the foundations that the previous GPE-funded EFA-FTI-III project laid and would address the same challenges of equity and quality of education as the ongoing IDA-funded LEQEP. To ensure the most-efficient use of the grant funding and to take advantage of economies of scale, the proposed project will finance activities similar to those supported under LEQEP, although it will target 20 additional low-performing primary schools[49] and the preprimary and junior secondary schools in the catchment area. By linking the proposed project to the LEQEP, the majority of the grant funding will be allocated to increasing the number of schools that the project can target because activities such as the calculations of baselines, hiring of project management staff, and consultants to support critical project activities will be taken care of under the LEQEP. The key similarities and differences in activities between the LEQEP and the proposed Lesotho Basic Education Improvement Project (LBEIP) are highlighted in table 2 below.

Project Components

27. **Component 1: Improving the Teaching and Learning Environment in Targeted Primary Schools and Associated Preprimary and Junior Secondary Schools (US$1.15 million).** This component will help improve the quality of classroom service delivery at the preprimary, primary, and junior secondary school levels to help youth develop a strong foundation in

[47] Generally, high dropout rates also reveal efficiency problems in the education system.
[48] Education indicators technical guidelines, UNESCO Institute for Statistics, 2009.
[49] The primary schools will principally be selected using the same objective criteria used for the LEQEP.

literacy, numeracy, and cognitive skills. Higher-quality classroom service delivery will also help increase student retention. The component will build on the curriculum and classroom service delivery reforms that the MoET initiated in 2011 under the EFA-FTI-III Project and it being undertaken under the LEQEP. This component will have the following subcomponents.

(a) *Subcomponent 1a*: Strengthening Primary and Preprimary School Teaching and Learning: This subcomponent will address the low levels of early-grade numeracy and literacy and limited teacher content knowledge and pedagogical skills in targeted schools through the provision of training to Grade 1-7 teachers and preprimary teachers and caregivers and the provision of associated student learning resources.

(b) *Subcomponent 1b:* Demonstrating the Progressive Mathematics Initiative—Progressive Science Initiative (PMI-PSI) at Junior Secondary Schools: This subcomponent will improve the quality of mathematics and science teaching and learning in targeted junior secondary schools by providing training to mathematics and science teachers and subject advisors in a new approach and related learning resources. The MoET will pilot the PMI-PSI approach that the New Jersey Center for Teaching and Learning (NJCTL) has developed (with a few small adjustments, including the use of handouts rather than information and communications technology equipment) in six targeted junior secondary schools from 2017 to 2019.

28. Specifically, this component will finance training for teachers, caregivers, inspectors, subject advisors[50], and education officers; technical assistance from NJCTL for implementing the PMI-PSI approach; and goods including teacher guides, puzzle kits, construction kits, life skills kits literacy and numeracy kits and wall charts, supplementary reading books, student handouts, science equipment, and other equipment for training and evaluation.

29. **Component 2: Strengthening School Accountability for Student Learning and Retention in Targeted Schools (US$0.37 million).** This component aims to empower key actors at the school level—including school boards (with school principals)—to collectively decide on and perform actions that contribute to retaining students and enabling them to learn using a school-based management model. To this end, the appropriate tools and capacity building to use them effectively will be provided to the school boards (which usually comprise the school principal, local chief, local council member, and representatives of the school owner, teachers, and parents). This component has the following three subcomponents:

(a) *Subcomponent 2a:* School Improvement Planning: Each school, guided by a detailed operations manual currently developed under the LEQEP and with the support of a facilitator trained on SIP and responsible for providing day-to-day technical assistance to schools, will develop a SIP aimed at increasing school performance to improve quality, retention, and equity of access.

[50] Subject advisors are specialists in given subjects (e.g., mathematics). They provide support to teachers during school visits and subject-related workshops and meetings.

(b) *Subcomponent 2b:* Provision of School Grants (SIP Grants): Upon submission of the SIP and its approval by the inspectorate, the school will receive 50 percent of a grant of approximately US$3,500 to US$4,500 to finance eligible activities.[51] These activities, to be conducted over three years, include short-term training for principals in school leadership and management (human resources and financial management in particular), additional support to underperforming students and students from low economic backgrounds, purchase of materials to enrich student learning, and minor repairs to physical assets of the school.

(c) *Subcomponent 2c:* Strengthening the Capacity for Reporting, Monitoring of Results, and Oversight Mechanisms: Support will be provided to schools to complete a reporting tool currently being developed under the LEQEP—a school report card (SRC)—that promotes transparency, timely collection of information, and use of information to facilitate participatory school management and enhanced oversight by district education officers, district resource teachers (DRTs), and inspectors. Upon submission and public disclosure of the first SRC after the first year of SIP implementation, the remaining 50 percent of the school grant will be provided to the school.

30. Specifically, this component will finance grants for 20 primary and six junior secondary schools; contractual payments to SIP facilitators; training of facilitators and school boards on the SIP; photocopying of SIPs and SRCs for distribution; training of school principals and SIP facilitators on the use of the SRCs; operational costs for monitoring SIP implementation, including supervision of SIP facilitators by regional inspectors, DRTs, and district education officers; and costs of internal audits on SIP expenditures.

31. **Component 3: Strengthening Institutional Capacity and Project Management (US$0.58 million).** The project will use the same implementation arrangements as the LEQEP. This component will focus on strengthening and developing the capacity of the MoET to deliver on its agenda as stated in the education sector plan, support project implementation activities, and cover project management costs. This component will finance consulting services for a review of the ECCD curriculum, a review of the curriculum and assessment policy for primary and secondary, a survey on primary education service delivery, and other selected studies needed during project implementation, in line with the PDO, and to which the Bank agrees; equipment and materials to strengthen the regional inspectors; technical assistance to develop a management course or program for school principals (including pre- and post-tests); technical assistance to develop an induction and mentorship policy for new teachers; and operational costs related to project activities and management, including for M&E activities such as internal and external audits, evaluations, communication, staff capacity building, recruitment of consultants, and provision of materials. The MoET technical staff involved in project activities,

[51] Small primary schools (with fewer than 300 students) will receive a grant amount of US$3,500, larger primary schools (with 300 to 800 students) will receive US$4,500, and junior secondary schools will receive US$4,500 (details in Annex 2).

especially the regional inspectors, will be supported through the provision of equipment such as tablets and travel kits and study tours.

Table 2. Comparison of International Development Association (IDA)-funded Lesotho Education Quality for Equality Project (LEQEP) and proposed Lesotho Basic Education Improvement Project (LBEIP)

Ongoing IDA-funded LEQEP (2016-2021)	Proposed GPE-funded LBEIP (2017-2020)
PDO. Improve basic education service delivery and student retention in targeted schools	**PDO.** Improve basic education service delivery and student retention in targeted schools
Targeting. Targets 300 of the lowest-performing primary schools and 65 junior secondary schools in their catchment area. Twelve primary schools attached to the targeted junior secondary schools will also participate in the project, for a total of 312 primary schools.	**Targeting.** Targets 20 low-performing primary schools on the list of the next 150 lowest-performing schools after the 300 lowest performing schools targeted under LEQEP and 19 preprimary schools and six junior secondary schools in their catchment area.
Component 1. Improving the Teaching and Learning Environment in Targeted Primary Schools and Junior Secondary Schools Includes three subcomponents that focus on: (a) Strengthening primary school (Grades 1-7) teaching and learning, including provision of teaching and learning resources; training of Grade 1-7 teachers, DRTs, and support staff; and provision of equipment and travel kits for DRTs for supervision (b) Implementing new mathematics and science curriculum and assessment support in 41 junior secondary schools (c) Demonstrating the PMI-PSI in 24 junior secondary schools and developing a new Lesotho model for teaching mathematics and science at the junior secondary level at the end of the project	**Component 1: Improving the Teaching and Learning Environment in Targeted Primary Schools and Associated Preprimary and Junior Secondary Schools** Includes two subcomponents that focus on: (a) Strengthening primary (Grades 1-7) and preprimary school teaching and learning, including provision of teaching and learning resources and training of Grade 1-7 teachers and preprimary teachers and caregivers (b) Demonstrating the PMI-PSI in six junior secondary schools using handouts only
Component 2. Strengthening School Accountability for Student Learning and Retention in Targeted Schools Includes three subcomponents that focus on: (a) School improvement planning, including development of the SIP manual; training of facilitators, DRTs and inspectors; provision of facilitator fees; and printing of the SIPs. (b) Provision of school grants to 377 primary and junior secondary schools (c) Strengthening the capacity for reporting, monitoring of results, and oversight	**Component 2. Strengthening School Accountability for Student Learning and Retention in Targeted Schools** Includes three subcomponents that focus on: (a) School improvement planning, including training of facilitators; provision of facilitator fees; and printing of SIPs (b) Provision of school grants to 26 primary and junior secondary schools (c) Strengthening capacity for reporting, monitoring of results, and oversight mechanisms, including training of facilitators

Ongoing IDA-funded LEQEP (2016-2021)	Proposed GPE-funded LBEIP (2017-2020)
mechanisms, including development of SRC; training of facilitators, DRTs, subject advisors, and inspectors on the SRC; printing of SRCs; information outreach to communities; and support for inspector visits and internal auditors	on SRC; printing of SRCs; and support for inspector visits and internal auditors
Component 3. Strengthening Institutional Capacity and Project Management This component finances: (a) Analytical work, including baselines on primary teacher competencies, mathematics and science teacher competencies at junior secondary, and Grade 9 assessment and studies on teacher demand and supply, dropouts at primary level, and education language policy (b) Technical assistance for assessment support, primary curriculum audit, nonformal education policy, school construction strategy, technical and vocational education strategy, human immunodeficiency virus and acquired immunodeficiency syndrome strategy, and Education Management Information System support (c) Project management and coordination support, including hiring project facilitation unit staff, training and equipment for Ministry of Education and Training staff, and operation costs for monitoring and evaluation of activities, purchase of materials, and internal and external auditing (d) Evaluations to assess SIP activities and other project outcomes, third-party verification for SIP project activities, and overall communication and outreach	**Component 3. Strengthening Institutional Capacity and Project Management** This component finances: (a) Analytical work, including reviews of ECCD curriculum, curriculum and assessment policy for primary and secondary, and study on primary education service delivery (b) Technical assistance to develop management course or program for school principals (including pre- and post-tests) and to develop an induction and mentorship policy for new teachers (c) Project management support, including operation costs for monitoring and evaluation of activities, purchase of materials, and internal and external auditing

Notes: GPE=Global Partnership for Education; PDO=project development objective; DRT=district resource teacher; PMI=Progressive Mathematics Initiative; PSI=Progressive Science Initiative; SIP=school improvement plan; SRC=school report card.

B. Project Cost and Financing

32. The proposed project will be financed under a GPE Fund Grant in the amount of US$2.3 million for three years, from 2017 to 2020. US$2.1 million of this grant will be used for project activities and US$200,000 for World Bank supervision costs. The lending instrument is an investment project financing (IPF) for a small recipient-executed trust fund grant. As discussed

with the GPE, an IPF instrument and traditional indicators were deemed most appropriate for the project given the small amount of the grant.

Project Costing

33. The cost of the project is shown according to component in table 3.

Table 3: Project Cost and Financing (US$ million)

Project Components	Project cost	Grant financing*	% financing
Component 1: Improving the Teaching and Learning Environment in Targeted Primary Schools and Associated Preprimary and Junior Secondary Schools	1.15	1.15	55
Component 2: Strengthening School Accountability for Student Learning and Retention in Targeted Schools	0.37	0.37	18
Component 3: Strengthening Institutional Capacity and Project Management	0.58	0.58	27
Total baseline costs	**2.10**	**2.10**	**100**
Physical contingencies	-	-	-
Price contingencies	-	-	-
Total project costs	**2.10**	**2.10**	**100**
Interest during implementation	-	-	-
World Bank supervision cost	**0.20**	**0.20**	
Total financing required	**2.30**	**2.30**	

* Grant financing indicates the project cost financed by the grant

C. Lessons Learned and Reflected in the Project Design

34. The project design reflects lessons learned from education projects to date in Lesotho and growing research demonstrating the importance of improving teacher effectiveness in the classroom and enhancing school leadership for greater accountability and results. The project design is also based on lessons learned from the Lesotho context—the implementation of the recently closed Lesotho GPE-supported EFA-FTI-III Project and other projects and studies undertaken by development partners in collaboration with the MoET departments. The lessons include the importance of ensuring that the project:

(a) supports the government's efforts in strengthening management, governance, and accountability in the education sector, school management and oversight need to be enhanced. Key stakeholders such as parents and community members need to

participate actively in governing schools.[52] The proposed project includes a significant school-based management and accountability component and puts a strong emphasis on community participation and accountability at the school level.

(b) includes PDO-level and intermediate-result indicators that are simple in calculation and well defined for ease of data collection throughout the project implementation. The PDO and indicators for this project are defined clearly and are measurable and simple, taking into account the challenges that may arise during data collection.

(c) pairs the supply of educational inputs (e.g., textbooks, classroom supplies) with adequate training and mentoring increases the likelihood that those learning and teaching materials are effectively used in classrooms. The project will finance teacher training on the use of textbooks and other teaching materials.

(d) handles procurement at the central level and builds in-house capacity for increased efficiency. Although MoET plans to build capacity at the district level through coaching and monitoring, all consequent procurement will be performed at the central level to ensure smooth implementation because the ministry has increasingly improved its ability to manage contracts through its experience with the EFA-FTI-III project.

(e) does not require inputs that are too costly. Although the piloting of the iSchool project by Vodacom had some success, its sustainability was a concern for MoET because it required the purchase of information and communications technology equipment for all students and solar panels, making the venture expensive.[53] Under the proposed project, handouts (instead of new technologies) will be provided to junior secondary schools targeted at the PMI-PSI approach. This approach was used in The Gambia and was effective. In addition to ensuring smooth implementation, MoET will be able to assess the effect of the PMI-PSI approach on student learning in an environment where it may be brought to scale.

35. Another critical lesson drawn from other projects in the region was used to guide project preparation: the importance of ensuring that the project design focuses on a limited number of activities, particularly in an environment of low institutional capacity.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

36. **Implementation.** The main implementing agency for the proposed project will be MoET. MoET has prior experience managing and implementing World Bank–funded and –supervised

[52] In addition, evidence from rural Mexico indicates that school-based management improves social participation, governance, transparency, and accountability, resulting in lower dropout and repetition rates.
[53] The cost of solar panels to power one classroom was approximately US$10,000.

projects. The proposed project will use the same implementing arrangements as the LEQEP and the previous GPE-funded EFA-FTI-III project (both supervised by the Bank). A number of other entities will be involved in project implementation—a coordination committee, MoET departments, including the Department of Planning (DoP); and a project facilitation unit (PFU) that successfully managed the EFA-FTI-III project after its midterm review and is now managing the LEQEP. The Coordination Committee, chaired by the Principal Secretary, will provide overall guidance for project implementation, facilitate coordination of activities, and review progress reports. Individual MoET departments will be responsible for implementation of components and subcomponents that fall within their mandates. The DoP, under the leadership of the Director of Planning, will oversee the activities of the project in general, with the support of the PFU, an MoET-integrated, full-time project coordination unit with a project coordinator and technical support staff in administration, procurement, financial management, planning, monitoring and evaluation (M&E), and communications. The PFU, which was set up during midterm review of the EFA-FTI-III project, will be responsible for day-to-day coordination of project activities and will report directly to the Director of Planning, who will ensure close collaboration with other MoET departments at the central and district levels. Donor coordination is facilitated through the LEG, which meets regularly and holds joint reviews to ensure that execution of each donor intervention is consistent with the country's 10-year education sector plan. The progress of the proposed project will be reported at the regular meeting of the LEG.

37. **Overall coordination.** Coordination committee chaired by the Principal Secretary will review progress on project activities at least twice a year, which by the Chief Education Officers (CEOs) of the ministry will attend, with participation from the Ministry of Finance (MoF), and the Ministry of Development Planning (MDP). The Director of Planning will present the progress of the project in a report that the PFU prepares highlighting performance to date and challenges to be addressed, and corrective actions will be decided as appropriate. The Project Implementation Manual clarifies the roles and responsibilities of the Coordination Committee, CEOs, Director of Planning, and PFU and the form of reporting to the committee.

B. Results Monitoring and Evaluation

38. Results of the proposed project will be monitored through the results framework presented in Annex 1. Achievement of the overall PDO will be measured using four PDO-level indicators and six intermediate results indicators. The PFU will be responsible for monitoring the indicators. Globally, the PFU will be responsible for monitoring, verifying, and reporting to Director of Planning on achievement of results in a timely and comprehensive manner. The report format, frequency, and content will comply with the existing Project Implementation Manual for the LEQEP, which MoET will update to cover all activities under this project. Independent survey firms will conduct baseline and end-line surveys measuring values for teacher-content knowledge indicators (similar to the schools under the LEQEP). In addition, as for the LEQEP, the SRC activity to be introduced under Component 2 will serve as a monitoring tool because it summarizes the current status of schools with respect to enrollment, physical

assets, and teacher presence in the classroom, among other key indicators of school performance.

C. Sustainability

39. **By improving the internal efficiency of basic education delivery in the targeted schools, the project will contribute to greater cost effectiveness of education interventions and, consequently, a more fiscally sustainable system.** This is particularly important given the current macroeconomic situation and the magnitude of public expenditure on education. Furthermore, international experience indicates that investing at the school level while establishing a strong accountability mechanism has more-sustainable results than centrally managed activities.[54] Furthermore, the project aims to increase the likelihood that activities and gains will be sustained and expanded. For example, the PMI-PSI approach will use only handouts instead of high technology as it is the case for the majority of junior secondary schools under LEQEP.

40. **One of the core elements of the project is capacity-building at the central, district, and school levels.** The project supports extensive teacher training, which provides the foundation for improving education service delivery. In addition to the DRTs, inspectors, and subject advisers that will be trained under the LEQEP, school principals and heads will be trained under the proposed project to provide the necessary in-service support to reinforce the effect of teacher training. To increase the probability that key project interventions such as school grants and the new mathematics and science approach can be sustained, implementation of these activities will build on existing country mechanisms and sources of financing. The continuity of the school grants model is feasible because the schools and community can finance key activities under the SIP using the utility grants and, eventually, using funds raised through community initiatives.[55]

V. KEY RISKS AND MITIGATION MEASURES

A. Risk Rating Summary Table - Systematic Operations Risk-rating Tool

Table 4. Risk Rating Summary

Risk Category	Rating
1. Political and governance	Substantial
2. Macroeconomic	Substantial
3. Sector strategies and policies	Moderate
4. Technical design of project or program	Moderate

[54] Gertler, P., H. A. Patrinos, and M. Rubio-Codina. 2012. "Empowering parents to improve education: Evidence from rural Mexico." *Journal of Development Economics* 99 (1).

[55] In Burkina Faso and Niger, communities were able to mobilize community stakeholders to raise funds to finance the SIPs in schools that were located in remote and rural areas.

Risk Category	Rating
5. Institutional capacity for implementation and sustainability	Substantial
6. Fiduciary	Moderate
7. Environment and social	Low
8. Stakeholders	Moderate
9. Other	–
OVERALL	Substantial

B. Overall Risk Rating and Explanation of Key Risks

41. The overall risk rating for the project is substantial (see table 4).

42. **The political and governance risks and macroeconomic risks are substantial.** The fiscal situation in Lesotho is delicate because of the decline of the SACU revenues on which the country relies heavily. Given that the reduction in SACU revenues is likely to have an adverse effect on MoET's budget, the operational costs associated with implementation of key activities will be financed under the project. The political situation is also fragile, even though elections took place in February 2015 and the new coalition government is in place. The education system is particularly sensitive to politics because there are frequent teacher strikes. Because the targeted primary and secondary schools do not represent all the constituencies in Lesotho, there is also a heightened overall risk of political interference, which could affect the implementation and performance of the project in the current political context. To minimize the risk of political interference, a set of objective criteria, including student flow, examination success rate, resources per student, and poverty level, were primarily used to identify low-performing schools (details in Annex 2). To reduce the risks arising from teachers' unions' resistance to the project's interventions aimed at increasing classroom instructional time and teaching quality, the project has included teacher representatives in stakeholder consultations during preparation and will continue to involve them at each stage of implementation. The project will also support investments to upgrade teacher competencies and strengthen school accountability mechanisms.

43. **The risks associated with sectoral policy, stakeholders, and technical design are moderate.** The last education sector plan ended in 2014, and a new plan based on sound diagnostics has recently been finalized. MoET now has a coherent policy framework to address the key challenges related to low internal efficiency of the education system. This is critical to help coordination among stakeholders. The proposed project is fully aligned with the new education sector plan. The structure of Lesotho's school system with most of schools owned and run by churches although subsidized by the Government, might impact the smooth implementation of the SIP. This risk will be mitigated by close technical assistance to the school boards by the facilitators and intensive communication on the SIP by MoET. The short timeframe of the proposed project could also affect the ability to achieve project outcomes, although the implementation readiness of the project and close linkages to the LEQEP will

facilitate timely implementation of activities.

44. **The risks related to institutional capacity for implementation and sustainability are substantial.** MoET's implementation capacity is a risk, but the existence of a PFU recently set up in the Planning Department mitigates that risk. As in the case of the LEQEP, the PFU will support the implementation of project activities by the relevant technical units in the MoET and promote coordination between them. This grant is a small recipient-executed trust fund to be managed as an IPF. The instrument (IPF) and implementation arrangements are familiar to and well established in the MoET. All the targeted schools are in rural areas, creating potential practical difficulties in the timely and successful achievement of the PDO. The project's strong emphasis on capacity building at the central ministry and local education service delivery levels will also help reduce those risks. Finally, the proposed project's strong linkage to the LEQEP might negatively influence its outcomes, but this risk is manageable given the involvement of the same management teams for both projects. In addition, the implementation of LEQEP is satisfactory as stated by the last implementation status and results report of the project; so, the risk is relatively low.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

45. **A large body of research shows that participation in education is an investment made with the expectation of returns later in life.** At the individual level, people with more schooling tend to be more productive, earn more, be healthier, have fewer children, and be more likely to send their children to school.[56] The priority investment in quality basic education in Lesotho is justified because good-quality basic education continues to be a major challenge in Lesotho, and little progress has been made in this regard in more than a decade. In research across countries, the quality of education explains variations in individuals' labor market outcomes and accounts for differences in countries' economic growth rates, among other factors. A higher level of education is associated with higher lifetime earnings. Each year of primary education contributes 8 percent to the total effect on earning, and for each year of junior secondary year contributes 8.5 percent.[57] The benefit-to-cost ratio, defined as the ratio of the contribution to total social outcome of each year of schooling to per student cost per year of schooling, is 69:1 for basic education and 35:1 for junior secondary, reflecting the much-higher costs of secondary education.

[56] Duflo, E. 2001. "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment." *American Economic Review* 91 (4): 795–814. Psacharopoulos, G. 1993. "Returns to Investment in Education. A Global Update." Working Paper No. 1067. World Bank, Washington, DC. Majgaard, K., and A. Mingat. 2012. *Education in Sub-Saharan Africa: A Comparative Analysis.* Washington, DC: World Bank. Hanushek, E., and L. Woessmann. 2009. "Do Better Schools Lead to More Growth? Cognitive Skills, Economic Outcomes, and Causation." NBER Working Paper No. 14633. National Bureau of Economic Research, Cambridge, MA.

[57] Majgaard, K., and A. Mingat. 2012. *Education in Sub-Saharan Africa: A Comparative Analysis.* Washington, DC: World Bank.

46. **The benefits of the project are estimated to be high compared with the total cost of the project.** The benefits produced over the project period are the changes in the quantity and quality of education as a result of the proposed interventions. These benefits consist of the increase in wage incomes resulting from more children completing Grades 6 and 9 and the enhanced labor earnings flowing from the higher quality of primary and secondary education due to the rise in education quality. The project is also expected to improve the internal efficiency of basic education by reducing dropout rates in low-performing schools through multiple activities at the central and school levels.

47. **The proposed project is best undertaken through public investment, and the World Bank adds value to government efforts to address education challenges.** Public investment is the best approach to the proposed project as the government aims to reduce significant inequality in the education sector and balance market failures by addressing the needs of poor families. The project is supporting MoET in fostering inclusive growth by principally targeting poor families and low-performing schools in lagging areas where the private sector does not provide services. In addition, the World Bank adds value to the government's actions by providing technical expertise and knowledge of international best practices and experience in other countries, which will help build more-efficient practices and systems in Lesotho. The few donors intervening in education, such as the African Development Bank and Japanese International Cooperation Agency, mostly invest in infrastructure, and other technical partners such as U.N. Children's Fund and U.N. Education, Scientific, and Cultural Organization intervene on a relatively small scale. The Bank has a comparative advantage with respect to other donors in the education sector for programs on quality and equity because it shares a mutual interest with the government in targeting poverty and ensuring inclusive growth in the country. In addition, the LEQEP addresses the same education performance challenges, has the same development objectives, and has scope and activities similar to those of this project, so this project can benefit from the economies of scale.

B. Technical

48. **The proposed project has the same approach as the LEQEP, which is based on international experience and sound analytical work that the Bank has undertaken in collaboration with MoET and other donors.** The project draws on the recently completed diagnostic study of the education system; the Lesotho Systematic Country Diagnostic, finalized by the Bank in 2015; and the CPF (2016-2019). The design of the project takes into account experience from the EFA-FTI-III project and other relevant IDA-funded projects in sub-Saharan Africa and other regions, especially with regard to curriculum development, teacher training, and related assessment packages. The subcomponent on development of a new mathematics and science model is based on the successful experience of The Gambia. International evidence on the importance of community engagement and empowerment to improve school accountability for student learning informed the design of Component 2. Component 3 draws on the lessons learned from the EFA-FTI-III on the need to strengthen capacity, especially for planning, and provide technical assistance so that interventions can be coordinated, sustained, and implemented in a phased and coherent manner.

49. **The project scope and design also factored in complementary interventions that other partners supported and projects that the Bank funded.** For example, although LEQEP targets the 300 most-vulnerable, lowest-performing primary schools and 65 junior secondary schools in the same catchment areas, the proposed project will target 20 primary schools from among the next 150 lowest-performing schools. Both projects will use the IPF instrument because it is deemed to be the most-appropriate financing instrument in the current context of Lesotho. The IDA-funded Social Assistance Project will address the demand-side constraints to access schooling through bursaries and conditional cash transfer programs. The IDA-funded Public Sector Modernization Project will address teacher management efficiency at the macro level. Finally, the project design has benefited from extensive consultations with senior government officials, donors, nongovernmental organizations, and academics.

C. Financial Management

50. As for the LEQEP, the PFU unit within the MoET will be accountable for the project's financial management (budgeting, accounting, payments, internal controls, transaction processing, quarterly and annual financial reporting). This responsibility is entrusted to the financial manager recruited and housed in the PFU. Budgets will be prepared based on approved work plans and procurement plans. In accordance with the Bank's financial reporting requirements, the project will be required to prepare and submit to the Bank unaudited interim financial reports (IFRs) not later than 45 days after the end of each fiscal year quarter.

51. Disbursements under the project will be in accordance with rules and procedures in the Bank's Disbursement Handbook. The project will open a segregated designated account, denominated in U.S. dollars at the Central Bank of Lesotho to receive funds from the Bank. The project will use an advance disbursement method as the primary option; reimbursement and direct payment methods are also available for the project. Details for various disbursement methods are spelled out in the Bank's Disbursement Handbook.

52. The annual project financial statements, including the auditor's opinion and a management letter, will be submitted to the Bank not later than 6 months after the end of the fiscal year. The Office of the Auditor General of Lesotho will conduct the annual audit.

53. The overall conclusion of the financial management assessment is that the project's financial management has an overall risk rating of moderate and that the financial management arrangements satisfy the Bank's minimum requirements under the Bank's policy and procedures on financial management (OP/BP 10.00). Annex 3 provides more details on financial management.

D. Procurement

54. All procurement to be financed under the proposed project will be performed in accordance with the World Bank's New Procurement Framework, which became effective on July 1, 2016, and the provisions stipulated in the Legal Agreement. A project procurement strategy for development will be developed to determine the approach to market, the selection

methods and the procurement plan. The project will implement the strategy in accordance with the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD and IDA and Grants, dated July 1, 2016 (the Anticorruption Guidelines).

55. An assessment of MoET's Procurement Unit has been undertaken. The unit is receiving support from the LEQEP through recruitment of a procurement consultant and provision of procurement training opportunities for procurement staff. In addition, a procurement manual has been prepared under the LEQEP. With these measures in place over the life of the project, the procurement arrangements are deemed adequate (details in Annex 3).

E. Social and Environment (Including Safeguards)

56. **The LBEIP is expected to have a positive social effect and improve equity.** Based on 2014 EMIS data, the project is expected to benefit as many as 5,100 beneficiaries[58]: 4,100 in the targeted primary schools; 900 students who attend the targeted junior secondary schools; 173 preprimary, primary, and junior secondary teachers; and 26 school boards (which include school principals and heads; local chiefs; local council members; and school owner, teacher, and parent representatives). The beneficiary schools are located mainly in rural areas and primarily serve children from poor families—two main factors that determine school achievement.[59] This targeting approach is expected to increase equity in the distribution of educational quality.

57. **Gender.** Lesotho is largely a patriarchal society, where boys are privileged in relation to girls, but given the culture and tradition, boys are much less likely to obtain a primary or secondary education. In rural areas, particularly the mountain districts, herding is a fundamental part of life. Shepherds' wealth and wisdom is associated with the number of their livestock, and families pass their wealth on through livestock. A young boy becomes a man through owning livestock. In addition, with many absent fathers[60], because of patriarchal norms, boys have the responsibility of tending to families. Through the SIP intervention under the proposed project, schools will be able to address boys' access to primary and secondary education at the local level if it is identified as a problem for that given school. School performance will be tracked through the lens of gender through the SRC.

58. **The project is classified as Environment Category C.** The activities that the project will support will not entail construction or rehabilitation work that could generate or have direct or indirect effects on natural resources or natural habitats in Lesotho. Therefore, none of the Bank's environmental safeguard policies are triggered. The Project Implementation Manual and the manual for the SIPs will include specific clauses describing the ineligibility of physical infrastructure under the project.

[58] The total 5,119 beneficiaries in 2019/20, which has been rounded to 5,100.
[59] Lesotho Education Sector Diagnostic, MoET, May 2016.
[60] Fathers are absent in the case of single mother or when they leave their families and work in another city/country (South Africa most of the time)

F. World Bank Grievance Redress

59. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit http://www.worldbank.org/GRS. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Annex 1: Results Framework and Monitoring

Country: Lesotho

Project Name: Lesotho Basic Education Improvement Project (P160090)

Results Framework

Project Development Objectives	
PDO Statement	
The proposed project development objective (PDO) is to improve basic education service delivery and student retention in targeted schools.	
These results are at	Project Level

Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values			
		YR1	YR2	YR3	End Target
Improvement in teacher content knowledge in targeted primary schools (Percentage)	0.00			2.00	2.00
Improvement in teacher content knowledge in targeted junior secondary schools (Percentage)	0.00			2.00	2.00
Reduction in dropout rate (Grade 1–Grade 6) in targeted primary schools (Percentage)	14.00	15.00	13.00	11.00	11.00
Reduction in dropout rate (Grade 8–Grade 9) in targeted junior secondary schools (Percentage)	10.00	9.00	8.00	7.00	7.00

Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values			
		YR1	YR2	YR3	End Target
Direct project beneficiaries (Number) - (Core)	0.00	5000.00	5100.00	5100.00	5100.00
Female beneficiaries (Percentage - Sub-Type: Supplemental) - (Core)	0.00	51.00	51.00	51.00	51.00
Teachers trained by the project (Number)	0.00	24.00	173.00	173.00	173.00
School principals and school heads trained by the project (Number)	0.00	0.00	26.00	26.00	26.00
Schools with approved SIPs (Number)	0.00	0.00	20.00	26.00	26.00
Schools spending 50 percent or more of the total school grant (Number)	0.00	0.00	6.00	16.00	16.00
Management course for school principals (Yes/No)	No	No	Yes	Yes	Yes

Note: Data will be collected and reported at the beginning of the following year. For example, for 2017/18, data will be collected and reported in early 2018. The targets for the reduction in dropout rate are rounded figures.
EMIS=Education Management Information System; MoET=Ministry of Education and Training; SIP= School Improvement Plan.

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Improvement in teacher content knowledge in targeted primary schools	Performance of Grade 1–4 teachers on written exam that tests competencies in numeracy and literacy in targeted 20 primary schools	2 times during project implementation (baseline with LEQEP, and end-line)	Third-party verification survey report	MoET
Improvement in teacher content knowledge in targeted junior secondary schools	Performance of Grade 8–10 teachers on written exam that tests competencies in mathematics and science in six targeted junior secondary schools	2 times during project implementation (baseline with LEQEP, and end-line)	Third-party verification survey report	MoET
Reduction in dropout rate (Grade 1–Grade 6) in targeted primary schools	Dropout rate of Grade 1–6 students in targeted primary schools. Number of students who left school in year (t) as a proportion of the total number of students in Grades 1–6 in year (t-1). It is calculated by subtracting the sum of promotion rate and repetition rate from 100. Promotion rate (G1 to G6) t-1/t = [(Number of nonrepeaters G2 to G7 in (t)) / (Number of students G1 to G6 in (t-1))]×100 Repetition rate (G1 to G6) t-1/t = [(Number of repeaters G1 to G6 in (t)) /	Yearly	Calculated from EMIS	MoET Planning

	(Number of students G1 to G6 in (t-1))]×100 Dropout rate (G1 to G6) = 100 - promotion rate - repetition rate			
Reduction in dropout rate (Grade 8–Grade 9) in targeted junior secondary schools	Dropout rate of Grade 8–9 students in targeted junior secondary schools. Number of students who left school in year (t) as a proportion of the total number of students in Grades 8–9 in year (t-1). It is calculated by subtracting the sum of promotion rate and repetition rate from 100. Promotion rate (G8 to G9) t-1/t = [(Number of nonrepeaters G9 to G10 in (t)) / (Number of students G8 to G9 in (t-1))]×100 Repetition rate (G8 to G9) t-1/t = [(Number of repeaters G8 to G9 in (t)) / (Number of students G8 to G9 in (t-1))]×100 Dropout rate (G8 to G9) = 100 - promotion rate - repetition rate	Yearly	Calculated from EMIS	MoET Planning

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Direct project beneficiaries	Direct beneficiaries from project intervention in targeted schools Calculations for project beneficiaries are as follows: • 4,100 primary school (Grade 1–7) students (starting in 2017) with an additional approximately 20 new Grade 1 students in 2019. • 900 junior secondary school (Grade	Yearly	Project reports	MoET Planning

	8–10) students (starting in 2017) • 19 preprimary teachers (starting in 2018) • 130 primary school (Grade 1–7) teachers (starting in 2018) • 24 junior secondary school (Grade 8–10) teachers (starting in 2017) • 26 school boards (including principals/heads) (starting in 2018) The total is 5,119 beneficiaries in 2019/20, which has been rounded to 5,100. Data will be collected and reported at the beginning of the following year, For example, for 2017/18, data will be collected and reported in early 2018. Student beneficiary figures were estimated from 2014 EMIS figures for targeted schools.			
Female beneficiaries	Percentage of female direct beneficiaries from the project intervention in targeted schools Percentage female was calculated using the 2013 EMIS, in which 49 percent of primary students, 56 percent of secondary students, 75 percent of primary teachers, and 56 percent of secondary teachers were female.	Yearly	Project Reports	MoET Planning
Teachers trained by the project	Number of preprimary, primary, and junior secondary teachers trained in targeted schools by the project	Yearly	Project reports	MoET - Component 1 coordinator

School principals and school heads trained by the project	Number of school principals and school heads who have been trained under the project	Yearly	Project Reports	MoET - Component 2 coordinator
Schools with approved SIPs	Number of schools with approved SIPs in place	Yearly	Project Reports	MoET - Component 2 coordinator
Schools spending 50 percent or more of the total school grant	Number of targeted schools that have received school grant funds and spent at least 50 percent of the total grant amount (US$3,500–US$4,500 depending on size and level of school)	Yearly	Project Reports	MoET-Component 2 coordinator
Management course for school principals	Management course for school principals developed and introduced in the appropriate institution	Yearly	Project Reports	MoET-Component 3 coordinator

Annex 2: Detailed Project Description

KINGDOM OF LESOTHO: Basic Education Improvement Project

Project Targeting

Selection of schools

1. Schools have been selected using the same process as the LEQEP. Prioritization and targeting of resources will help ensure that the project is reaching the most-disadvantaged schools and communities. The project will support 20 low-performing primary schools and 19 preprimary and six junior secondary schools in the same catchment areas as the primary schools. To select the schools to be targeted, the government applied five objective and transparent criteria (same criteria as LEQEP): dropout rate[61], percentage of repeaters[62], PSLE success rate[63], cost unit[64], and poverty index[65].

2. All five criteria have been normalized to have a mean of 100 and a standard deviation (SD) of 10. Scores from the five criteria were added together with equal weight to give a total score to each primary school in the country. All primary schools were then ranked from lowest to highest scores, with the 300 schools with the lowest scores being selected under the LEQEP. Among the list of the next 150 lowest-performing schools, the MoET identified 20 primary schools to benefit from this project, with priority given to feasibility and efficiency of implementation in terms of geographic proximity to the LEQEP schools. Table 2.1 and table 2.2 provide an overview of the general characteristics and the dropout and survival rates of the selected primary and junior secondary schools, respectively. The 20 selected primary schools are listed in table 2.3.

3. Once the 20 primary schools were identified using the criteria above, the MoET team identified the 19 preprimary schools and six junior secondary schools falling within the catchment areas of the targeted primary schools to ensure a continuum of education and to

[61] Promotion rate (Grade 1 to Grade 6) 2013/2014 = [(number of nonrepeaters Grade 2 to Grade 7 in 2014) / (number of students Grade 1 to Grade 6 in 2013)] × 100;
Repetition rate (Grade 1 to Grade 6) 2013/2014 = [(number of repeaters Grade 1 to Grade 6 in 2014) / (number of students Grade 1 to Grade 6 in 2013)] × 100; and
Dropout rate (Grade 1 to Grade 6) 2013/2014 = 100 − promotion rate − repetition rate for Grades 1–6 (2013 EMIS). Scores were calculated according to school taking an inverse of the normalized dropout rate (mean 100, SD 10).

[62] Grades 1–7 (2013 EMIS). Percentage of repeaters (Grade 1 to Grade 7) = [(number of repeaters Grade 1 to Grade 7 in 2014) / (number of students Grade 1 to Grade 7 in 2014)] x 100

[63] PSLE (2014). Scores were calculated by taking the pass rate for PSLE normalized to have a mean of 100 and standard deviation (SD) of 10.

[64] Salary of teachers / number of students per school (2014). Normalized to have a mean of 100 and SD of 10.

[65] Household Budget Survey, National Bureau of Statistics, 2010. This poverty index was measured using a combination of household monthly earnings score and a composite standard-of-living indicator built using the data on household dwelling characteristics. The standard-of-living indicator is built from a principal component analysis, which summarizes the information contained in eight variables (number of rooms in dwelling; connection of dwelling to electricity grid; type of toilet facilities; type of water supply; type of walls; and access to water, telephone, and kitchen). For each district, a poverty index was calculated for rural and urban areas.

allow these students to have a better chance of staying in school and completing a quality basic education.[66] The 19 targeted preprimary and six targeted junior secondary schools are listed in table 2.4 and table 2.5, respectively.

Description of schools

4. At the primary level, all 20 targeted schools are located in rural areas. The schools belong to 13 constituencies and represent seven districts of Lesotho. On average, approximately 71 percent of students in these schools pass the PSLE, and 12.2 percent of students repeat a grade (table 2.1), compared with national levels of 84.1 percent and 9 percent, respectively. The average dropout rate of the targeted schools is 13 percent, which is higher than the national dropout rate of 9 percent (table 2.2). Only 38.4 percent of the cohort that enters Grade 1 in the 20 primary schools continues on until Grade 6, compared with 54.4 percent nationally. At the junior secondary level, all six targeted schools fall within rural areas as well and belong to four districts. Students have an average score of 335.8 on the JCE (table 2.1), which is lower than the national average score of 345.4. With regard to dropout rate, the junior secondary schools in the catchment area of the targeted primary schools perform better than the national average, with a dropout rate of approximately 10 percent, compared with 16.8 percent nationally (table 2.2). Finally, all 19 targeted preprimary schools, which fall within the catchment areas of the primary schools, are in rural areas.

Table 2.1. Summary Statistics for Targeted Primary and Junior Secondary Schools

20 targeted primary schools		**Six targeted junior secondary schools**	
Average % of repeaters	12.20	Average Junior Certificate Examination score	335.83
Average Primary School Leaving Examination pass rate	71.08	-	-
Number of districts	7	Number of districts	4
Location	**n**	**Location**	**n**
Urban	0	Urban	0
Rural	20	Rural	6
Total	20	Total	6

[66] The secondary schools were selected using an existing placement list that the Inspectorate created in 2014 to assist MoET in placing primary completers from Grade 7 in secondary schools.

Table 2.2. Dropout Rate and Survival Rate According to Grade in Primary and Junior Secondary Schools (2014)[67]

	Primary							Junior Secondary		
	G1	**G2**	**G3**	**G4**	**G5**	**G6**	**G1–6**	**G8**	**G9**	**G8-9**
Dropout rate										
National (%)	13.4	6.5	6.2	8.7	8.3	10.9	**9.0**	16.1	17.7	**16.8**
Schools targeted by project (%)	15.9	11.2	8.9	16.7	13.0	11.9	**13.0**	13.2	6.3	**10.2**
Survival rate										
National (%)	–	85.8	80.1	74.9	60.2	54.4	–	–	81.9	–
Schools targeted by project (%)	–	83.1	73.4	66.5	45.8	38.4	–	–	85.6	–

Table 2.3. List of Targeted Primary Schools

Rank	School registration number	School name	District	Inverse of dropout rate	Inverse of percentage of repeaters	PSLE success rate	Cost unit	Poverty index	Total score
301	146002	Tlaling (2002) Primary	Mohales Hoek	89.90	109.88	87.96	93.59	98.94	480.27
302	120008	Mahlong	Thaba-Tseka	98.47	103.49	103.40	88.30	86.63	480.28
306	108015	Thuube Primary School	Qachas Nek	96.75	93.03	81.84	117.38	91.40	480.40
309	136039	St. Andrew's Rc Primary	Mohales Hoek	96.60	84.96	108.46	91.64	98.94	480.60
312	132034	Palama	Leribe	92.85	94.73	93.23	99.38	100.56	480.75
315	154005	'Makoaneng Ame	Maseru	80.69	109.47	81.84	108.63	100.53	481.16
318	121006	'Malefiloane	Butha-Buthe	105.01	99.74	79.87	97.21	99.71	481.54
325	135008	Sebaki	Mafeteng	107.46	87.15	87.53	101.01	98.51	481.67
334	122019	Kota	Leribe	103.51	100.91	79.17	98.12	100.56	482.27
339	145019	Mekekeng	Mafeteng	96.04	88.24	104.89	94.83	98.51	482.52
342	132049	Spinare	Leribe	93.18	95.32	94.67	99.11	100.56	482.84
357	122040	Nomorong	Leribe	103.74	94.53	92.06	92.86	100.56	483.74
369	124079	Mauteng	Maseru	101.37	104.01	90.73	87.69	100.53	484.32

[67] 2014 is used as a reference for the calculation and monitoring of indicators as data by school are only available for 2013 and 2014. The dropout rate and survival rate by grade have been calculated for Grades 1–6 in primary and Grades 8-9 in junior secondary due to unavailability of data on children able to enroll in junior secondary school and senior secondary school, respectively. Inconsistencies in the 2014 data were adjusted based on the cohort of students in 2013 for each school (as transferred students and new repeaters cannot be distinguished).

Rank	School registration number	School name	District	Inverse of dropout rate	Inverse of percentage of repeaters	PSLE success rate	Cost unit	Poverty index	Total score
		L.E.C							
382	134057	Motlepu (St. Martin De Pores)	Maseru	107.46	92.67	89.08	95.57	100.53	485.31
399	125010	Lehahaneng	Mafeteng	95.36	98.57	94.24	99.41	98.51	486.09
412	134088	Menard	Maseru	107.46	90.31	92.91	95.68	100.53	486.89
413	142031	Ts'ehlanyane	Leribe	89.64	100.44	85.19	111.24	100.56	487.06
441	135003	Ramosoeu	Mafeteng	96.01	82.31	108.46	103.55	98.51	488.83
447	132027	St. Denis	Leribe	106.12	86.59	97.17	98.84	100.56	489.28
451	134014	Ramatekane	Maseru	96.12	93.32	108.46	91.22	100.53	489.65

Table 2.4. List of Targeted Preprimary Schools

No.	School name	District	No.	School name	District
1	`Malefiloane	Butha-Buthe	11	Likileng	Leribe
2	Sebataolong	Butha-Buthe	12	Mankoaneng	Maseru
3	Lehlakaneng	Butha-Buthe	13	Mauteng	Maseru
4	Ordindala	Butha-Buthe	14	Motlepu	Maseru
5	Kota	Leribe	15	Ramatekane	Maseru
6	Kotanyane	Leribe	16	Tlokoeng	Mohale's Hoek
7	Spinare	Leribe	17	Mokotso	Mohale's Hoek
8	`Mali	Leribe	18	Tiping	Thaba-Tseka
9	Mohale	Leribe	19	Ntsirele	Thaba-Tseka
10	Mahlabateng	Leribe			

Table 2.5. List of Targeted Junior Secondary Schools

No.	School registration number	School name	District
1	242005	Makhoa Secondary School	Leribe
2	225002	Thabana-Morena	Mafeteng
3	215002	Tsoana Mantata	Mafeteng
4	234005	St John Tlali	Maseru
5	234011	Massabielle	Maseru
6	236001	Holy Cross High School	Mohale’s Hoek

Project Components

5. The proposed project would build upon the support that the previous GPE-funded EFA-FTI-III project provided and would address the same challenges of equity and quality of education as the ongoing IDA-funded LEQEP. To take advantage of economies of scale, the project will finance activities similar to those that LEQEP funds but will target the 20 additional low-performing primary schools listed above and preprimary and junior secondary schools in the catchment areas. Linking the proposed project to the LEQEP will allow the majority of the grant amount to be directed toward increasing the number of project schools that can be supported because other key activities (e.g., calculation of baseline values, hiring of project management staff and consultants to support critical project activities, training of trainers, provision of supervision tools and materials for education officers and DRTs) will be taken care of under the LEQEP.

Component 1: Improving the Teaching and Learning Environment in Targeted Primary Schools and Associated Preprimary and Junior Secondary Schools (US$1.15 million)

6. This component will help raise the quality of classroom service delivery at the preprimary, primary, and junior secondary school levels to help create a youth population with strong foundations in literacy, numeracy, and cognitive skills. A higher quality of classroom service delivery will also increase student retention. The component continues the curriculum and classroom service delivery reform that MoET initiated in 2011 under the EFA-FTI-III Project that is currently supported under the LEQEP.

7. The project will focus on the two subcomponents below. The results chain for Component 1 is shown in Figure 2.1.

Subcomponent 1a: Strengthening Primary and Preprimary School Teaching and Learning (US$0.69 million)

8. This subcomponent will address the low quality of service delivery at the preprimary level, low levels of early grade numeracy and literacy in primary school, and limited teacher content knowledge and pedagogical skills in targeted schools through the provision of training—with a focus on content mastery and pedagogical skills—to Grade 1–7 teachers and preprimary teachers and caregivers and provision of associated student learning resources. Support staff such as DRTs will be trained on the same modules as teachers and on techniques to support and oversee teachers under the LEQEP to be able to provide adequate supervision and aid. They will also be provided travel kits and electronic tablets for monitoring under the LEQEP to help them fulfill their duties effectively. They will use those materials to monitor activities under the proposed project.

9. The subcomponent will finance the following:

(a) **Training and ongoing support to teachers in targeted primary schools** in content and pedagogical skills for teaching numeracy and literacy in Grades 1–4;

mathematics and science content and pedagogical training for Grades 5–7; and core classroom teaching skills, including teaching multigrade, large, and overage classes in all grades. The project will also support review of assessment packages for Grade 7 in upper primary, including training of teachers on assessment. Trainers trained by staff from the National Curriculum Development Center (NCDC) and the Examinations Council of Lesotho (ECoL) will provide three weeks of training to batches of teachers. The training will be held for 1 week each during the school holidays in January, July, and October starting in 2017, with refresher training planned for 2019. Between the training sessions, DRTs (trained under the LEQEP), who can mentor teachers, and a support network, comprising school principals and experienced teachers, promoted under the LEQEP will assist teachers.

(b) **Additional learning materials for primary schools.** Learning materials to be purchased under this subcomponent include literacy kits in Sesotho and English for Grades 1–3, numeracy kits for Grades 1–7, literacy and numeracy wall charts for Grades 1–3, readers for Grades 1–4, supplementary reading books for upper primary Grades 5–7, mathematics and science teaching aids for Grades 5–7, and bookshelves for all grades.

(c) **Support to ECCD learning** in provision of teaching and learning resources such as teacher's guides, puzzle kits, construction kits, life skills kits, numeracy kits, and literacy kits and training of preschool teachers and caregivers in targeted schools on pedagogy and use of these resources.

Subcomponent 1b: Demonstrating the PMI-PSI at the Junior Secondary School Level (US$0.47 million)

10. This subcomponent will improve the quality of mathematics and science education in the targeted junior secondary schools by providing training and related learning resources to mathematics and science teachers using a new approach—the PMI-PSI. The PMI-PSI, which the NJCTL developed, emphasizes a student-centered pedagogical method that focuses on continuous formative assessment and makes effective use of interactive digital technology such as computers and interactive projectors to deliver lessons more effectively. The entire curriculum is embedded in the presentation software, and course material is taught without textbooks. The approach also stresses the importance of sequencing of topics in learning and teaching mathematics and science. Having shown a positive effect on effective classroom learning and in-service teacher training in New Jersey schools,[68] Colorado, Argentina, and the Gambia,[69] the model will be applied in the Lesotho context. The project will undertake the approach in the six targeted junior secondary schools using handouts only, minimal technology,

[68] Six of the top 12 schools in New Jersey for advanced placement (AP) Physics B participation are schools in which PSI is used.

[69] In upper basic schools, PSI-PMI students outperformed their peers by 12.4 to 25.2 percentage points on the June 2013 the Gambia Education Certificate Exam.

and adapted interactive teaching methods to test its scalability in an environment where many secondary schools (approximately 16 percent) lack electricity.

11. The project will support the following detailed activities under this subcomponent.

(a) **Training of current junior secondary mathematics and science teachers in six junior secondary schools.** The NJCTL will provide technical assistance on the PMI-PSI and will visit Lesotho three times per year during the 3 years of the project (2017–2019). Together with MoET (specifically, the NCDC), they will conduct three training sessions during the school holidays each year in January, July, and October for all mathematics and science teachers from the six targeted schools. Teachers will be trained on PMI-PSI content and pedagogical methods to support more-student-centered teaching and continuous assessment that will result in immediate, measurable gains in student achievement during the 2-week training sessions. At the end of 3 years, all mathematics teachers for Grades 8–10 will be prepared to teach algebra I, geometry, and algebra II, and all junior secondary science teachers will be trained to teach algebra-based physics, chemistry, and biology. Future trainers will be drawn from this initial cohort. The open-source curriculum materials necessary for the PMI-PSI will be adjusted to the context of Lesotho and aligned with the national curriculum (financed under the LEQEP). The teachers trained will benefit from the support and supervision of subject advisors and inspectors who will also be trained on the PMI-PSI methods and content under the LEQEP. The sequencing of training is shown in table 2.6.

Table 2.6. Detailed Implementation and Sequencing for Teacher Training[70]

		2017	2018	2019
Math	Syllabus	Algebra I	Geometry	Algebra II
	Output	All mathematics teachers trained to teach algebra I, some of whom will teach students in Grade 8 algebra I in all six participating schools	All mathematics teachers trained to teach geometry, some of whom will teach Grade 9 students geometry in all six participating schools	All mathematics teachers trained to teach algebra II, some of whom will teach Grade 10 students algebra II in all six participating schools
Science	Syllabus	Core science subject: algebra-based physics	Chemistry	Biology
	Output	All science teachers trained to teach algebra-based physics,	All science teachers trained to teach chemistry, some of	All science teachers trained to teach biology, some of

[70] For students, in 2017, a cohort of Grade 8 students will learn algebra I and algebra-based physics. In 2018, that cohort will study geometry and chemistry in Grade 9, and a new cohort of Grade 8 students will study algebra I and algebra-based physics. In 2019, the initial cohort of students will study algebra II and biology in Grade 10, a new cohort of Grade 8 students will study algebra I and algebra-based physics, and the prior year Grade 8 cohort will go on to the Grade 9 courses.

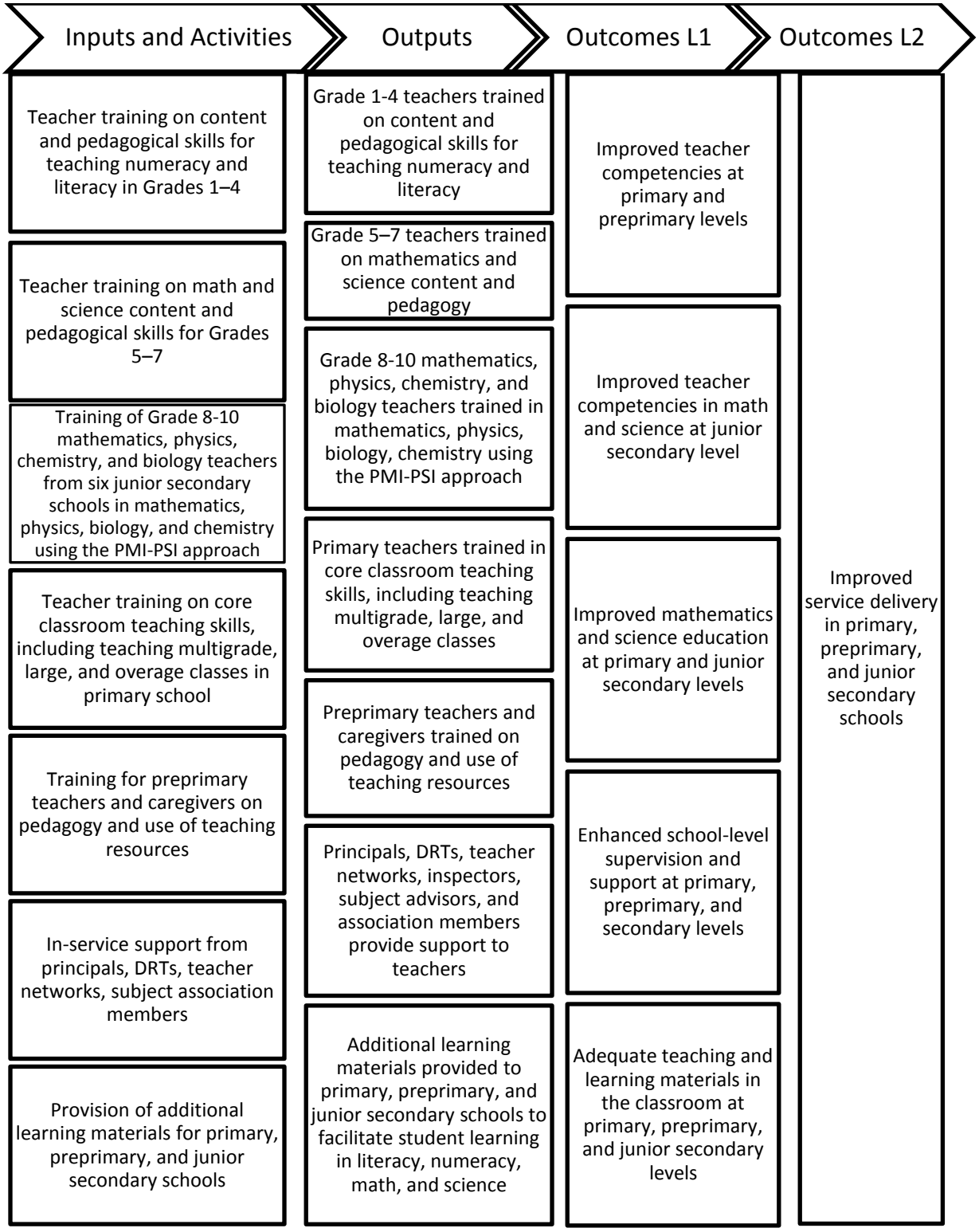
		2017	2018	2019
		some of whom will teach Grade 8 students algebra-based physics in all six participating schools	whom will teach Grade 9 students chemistry in all six participating schools	whom will teach students in grade 10 biology in all six participating schools

(b) **Provision of learning equipment.** Science equipment will be provided to each of the targeted schools under the demonstration, and students will use handouts to support the PMI-PSI pedagogical methods.

(c) **Monitoring of student learning in mathematics and science.** The project will finance the training of inspectors, subject advisors and education officers on teacher support and supervision to help them adequately monitor and assist teachers. As with DRTs at the primary level, inspectors, subject advisors, and education officers will be provided travel kits and electronic tablets for supervision under the LEQEP to help them perform their jobs effectively. Those materials will be used to monitor the activities under the proposed project as well. The NJCTL will also support MoET visits to schools to ensure that PMI-PSI courses are implemented with fidelity to content, pacing, and teaching methods, resulting in improved education service delivery and high student achievement.

12. Overall, this component will finance training for teachers and caregivers, inspectors, subject advisors, and education officers; technical assistance from NJCTL for implementing the PMI-PSI approach; and goods, specifically teacher's guides, puzzle kits, construction kits, life skills kits, literacy and numeracy kits and wall charts, supplementary reading books, student handouts, science equipment, and other equipment for training and for evaluation.

Figure 2.1. Results Chain for Component 1[71]



DRT=District Resource Teacher.

[71] Outcomes L1 refer to lower-level (or level 1) outcomes and Outcomes L2 to higher-level (or level 2) outcomes.

Component 2: Strengthening School Accountability for Student Learning and Retention in Targeted Schools (US$0.37 million)

13. This component aims to improve student retention and student learning in the targeted schools through a school-based management model that allows schools to address issues of student dropouts and service delivery at the local level. The project will enhance the capacity of school boards and support them in using school-based management tools such as SIPs, school grants, and SRCs that will help them improve school performance with respect to retention and student learning. Unless these challenges are addressed, weak school governance will continue to hamper efforts to improve student retention and learning. Support for these interventions will be organized under three subcomponents. The sequencing of key activities and flow of funds and the results chain for Component 2 are shown in Figure 2.2 and Figure 2.3, respectively.

Subcomponent 2a: School Improvement Planning (US$0.23 million)

14. This subcomponent will support each of the targeted primary and junior secondary schools in developing and implementing a SIP through a participatory process led by the school principal and supported by the school board. The policies and procedures for school improvement planning will be detailed in an operations manual (SIP Manual) being developed under the LEQEP. In addition to this manual, targeted schools will be provided with a facilitator trained on the SIP process selected by the Teaching Service Department through a competitive process to help in the formulation and implementation of a SIP aimed at increasing school performance with regard to quality, retention, and equity of access. The PFU will contract facilitators, each of whom is assigned to one to three schools[72] and will be required to have at least a Diploma in Education and some relevant work experience, for 10 months each school year. Contracts may be renewed for each of the subsequent two school years of SIP implementation, based on satisfactory performance. An official from the Inspectorate at MoET will visit schools at least twice a year to monitor the SIP implementation process and assess the performance of facilitators, drawing on feedback from the district-level officers (education officers and DRTs) responsible for supervision of facilitators. Before facilitators commence their work in schools, they will be provided with intensive training on the SIP process and other related operational matters along with DRTs, inspectors, and concerned education officers.[73] Thereafter, facilitators will train school principals and school boards on the job, after which principals will lead a diagnosis of the key problems facing their schools, seeking input from parents and other community stakeholders through public consultations. To address the identified problems, each SIP will propose a set of activities and measurable results toward

[72] A facilitator may be assigned to only one school if its remote location in the mountains makes it very difficult to travel between schools.

[73] These include the legal framework governing school boards (for which the legal officer in MoET will provide training), fiduciary management of school grants (for which the PFUs financial and procurement officers and the MoET financial controller will provide training), and (c) human resources policies that school boards would be required to adhere to in their hiring decisions. The international and local consultants who developed the SIP manual will be the master trainers on the SIP process. When facilitators conduct on-the-job training of principals and school boards, master trainers will provide guidance to the facilitators as needed.

achieving the stated objectives aiming at reducing dropout over a 3-year period. Each SIP will be submitted to the Inspectorate for review through the district education offices. Once a SIP is approved, it will be posted in public places, and the responsible district education officer will ensure that copies are made for distribution to all concerned parties (e.g., school board members, DRTs, teachers).

Subcomponent 2b: Provision of School Grants (SIP Grants) (US$0.11 million)

15. When the Inspectorate approves the SIP, the school will receive 50 percent of a grant of approximately US$3,500–4,500, depending on its classification,[74] to finance eligible expenditures listed in the SIP manual. These expenditures are related to activities aimed at improving education service delivery, notably school management training for principals to enable them to provide stronger school leadership and supervision of teachers, specifically to increase teacher presence and effectiveness in the classroom, and maintain adequate financial accounts (simple book keeping) for the use of school grant proceeds. Other important activities that the SIP grant can be used to finance include outreach to the neediest children (children from poor families who are out of school or at high risk of dropping out because of poverty) to help them access financial support from the social welfare system; minor repairs to the school's physical assets; and purchase of teaching, learning, and other materials to improve the student learning environment. Although schools will have some flexibility in the choice of activities in the SIP, there are a number of ineligible activities that the grant cannot finance, such as contracting of civil works, hiring of staff, topping-up of staff salaries, and purchasing of vehicles. The required procedures related to disbursement of and financial accounting and reporting for SIP grants will be detailed in the SIP manual. Each targeted school is required to establish a commercial bank account dedicated to the SIP grant. School principals will be required to account for and report on SIP expenditures, which are subject to audit by MoET internal auditors when they visit a sample of schools in accordance with a proposed work program. There will also be added scrutiny by the relevant school boards and the community at large, who have access to information on the SIPs, including their sources and uses of funds. The remaining 50 percent of the SIP grant will be disbursed to the schools when they have submitted a progress report at the end of the first year of SIP implementation. This progress report will be integrated into a SRC detailed under Subcomponent 2c. To verify the SIP process and how funds are being used toward the stated objectives, MoET will contract an independent third party to visit a random sample of schools under the LEQEP and the proposed project at various times during the 3-year SIP implementation period.

Subcomponent 2c: Strengthening the Capacity for Reporting, Monitoring of Results, and Oversight Mechanisms (US$0.03 million)

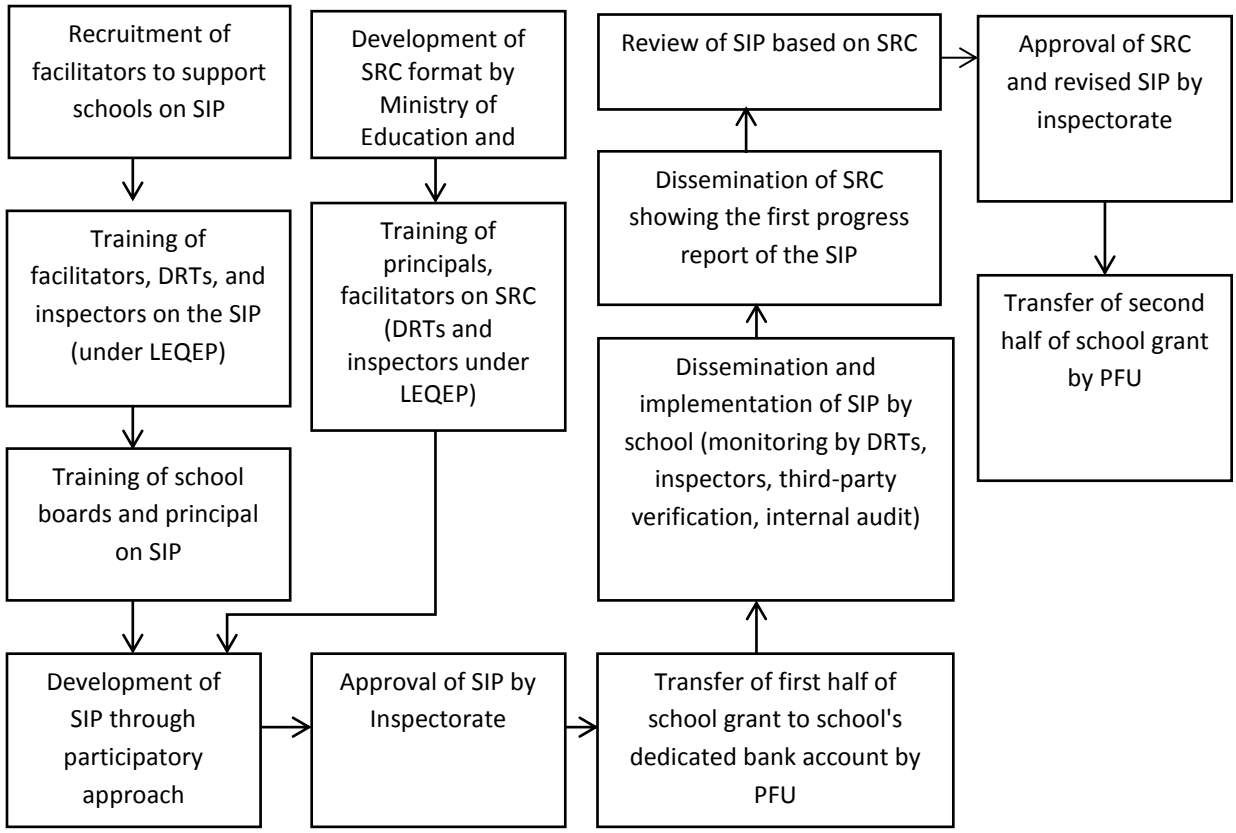
16. Strengthened mechanisms at the school level to monitor school performance, in general, and progress on SIP implementation, in particular, will accompany the provision of school grants for financing SIPs. For this purpose, schools will complete a SRC (to be developed

[74] Small primary schools (with fewer than 300 students) will receive a grant amount of US$3,500, larger primary schools (with 300 to 800 students) will receive US$4,500, and junior secondary schools will receive US$4,500.

under the LEQEP) that contains key information on the SIP progress, such as priority actions, targets and results, and fund use and captures basic education data (e.g., student enrollment, teachers numbers, physical assets). School boards, including school principals, and other relevant staff will be trained on its use for capturing required data. It is expected that principals will submit the first SRC populated with baseline education and SIP information after approval of their SIPs. Thereafter, the SRC will be updated annually and submitted to school boards and the responsible education officers for approval. Approved SRCs will be posted in public places where the community at large can view them, allowing the community to hold schools accountable for their performance. Compliance with this requirement (submission and disclosure of an updated SRC) after the first year of SIP implementation will trigger the release of the remaining 50 percent of the SIP grant to schools. School boards will invite parents and other community stakeholders twice a year to open board meetings where the SRC and progress made on SIP implementation will be discussed.

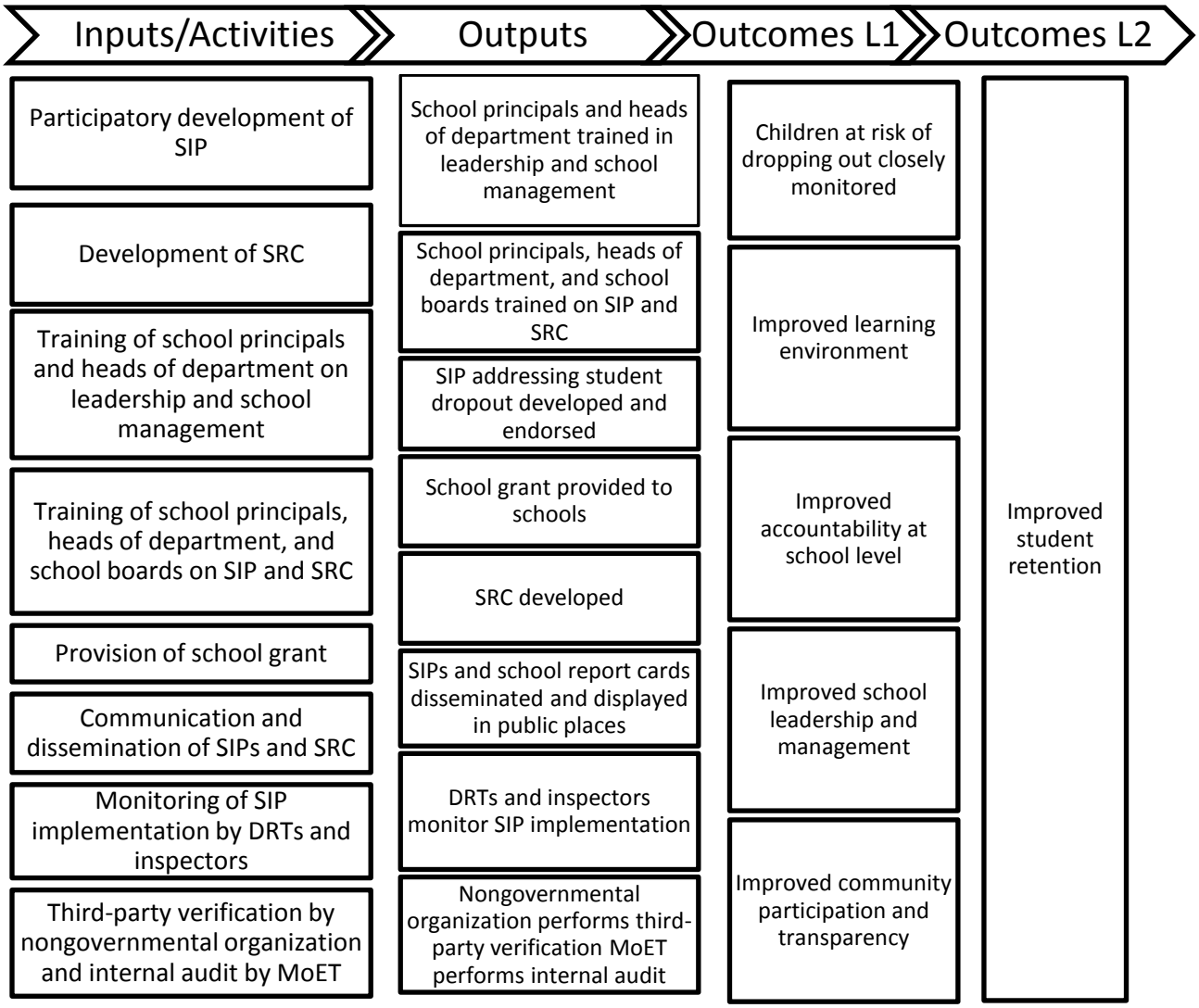
17. This component will thus finance grants for 20 primary and six junior secondary schools (26 schools in total); contractual payments to SIP facilitators; training of SIP facilitators and school boards; photocopying of SIPs and SRCs for distribution; training of school principals and SIP facilitators on the SRC; operational costs for monitoring SIP implementation, including supervision of SIP facilitators by regional inspectors, DRTs, and education officers; and costs of internal audits of SIP expenditures.

Figure 2.2. Sequencing of Key Activities Under Component 2 and Flow of Funds



SIP=school improvement plan; DRT=district resource teacher; LEQEP=Lesotho Education Quality for Equality Project; SRC=school report card; PFU=Project Facilitation Unit.

Figure 2.3. Results Chain for Component 2



Note: SIP=School Improvement Plan; SRC = School Report Card; DRT=district resource teacher; MoET=Ministry of Education and Training.

Component 3: **Strengthening Institutional Capacity and Project Management (US$0.58 million)**

18. This component aims at providing essential capacity building; training, technical, and advisory support; and equipment to MoET departments in charge of project activities and will finance PFU activities. The component will focus on developing institutions' capacity to deliver on their agenda and support additional activities for project implementation and strengthening overall project management. More specifically, this component will finance the following two main groups of activities.

(a) **Analytical work and technical assistance.** This component will finance consulting services for a review of the ECCD curriculum, a review of the curriculum and

assessment policy for primary and secondary schooling, a survey of primary education service delivery, and other selected studies needed during project implementation, in line with the PDO and to which the Bank agrees. Given the importance of leadership to boost results at the school level, technical assistance will be provided to develop a management course or program for school principals (including pre- and post-tests) that will be introduced at an appropriate institution such as the Lesotho College of Education, National University of Lesotho, or other relevant institution and to develop an induction and mentorship policy for new teachers.

(b) **Project management and coordination strengthening.** The existing PFU, which was set up for and successfully improved the implementation of the previous EFA-FTI-III Project and manages the LEQEP, will be supported through provision of funding to cover operational costs related to overall project management, including M&E and technical assistance where needed. MoET technical staff involved in project activities, especially regional inspectors, will be supported through provision of equipment such as tablets, travel kits, and study tours.

Annex 3: Implementation Arrangements

KINGDOM OF LESOTHO: Basic Education Improvement Project

Project Institutional and Implementation Arrangements

1. **Institutional arrangements.** MoET will implement the project. The overall organization of project implementation and monitoring, as represented in figure 3.1, comprises a Coordination Committee, ministerial departments (including the DoP, Inspectorate, Teaching Services, Curriculum and Assessment), and the PFU. They will interact as follows:

(a) **Coordination Committee.** There will be a project coordination committee, composed of the Senior Management Committee within MoET and representatives of MoF and MDP, to monitor and review the progress of the activities. The Senior Management Committee is a monitoring and supervisory body for MoET's own activities, which the Principal Secretary chairs and meets weekly. All heads of departments (CEOs) attend these meetings. It has been agreed that this committee will oversee the project activities. At least two specific meetings of the Senior Management Committee will be devoted to the project in May and November each year during the life of the project, or more often as needed. In addition to MoET's attendance, the officer overseeing Bank's financed projects from the MoF and a representative of the MDP will attend these two sessions. Progress on this project will also be presented at the regular meeting of the LEG. (The list of main donors and technical partners is shown in table 4.3). The Coordination Committee will evaluate the project's progress and ensure sectoral coordination and consistency of project activities with sector policies and strategies. It will review project progress reports and audits and suggest recommendations for facilitating implementation.

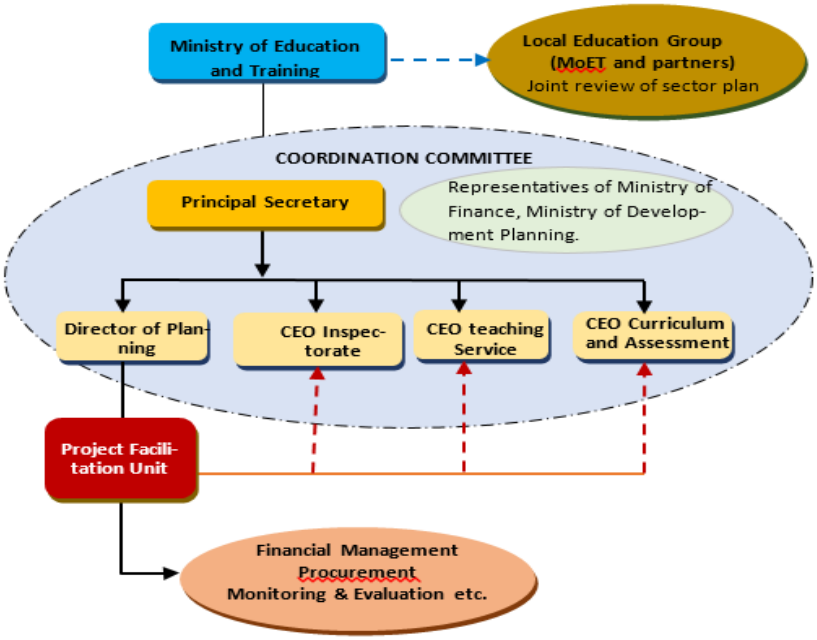
(b) **MoET departments (Inspectorate, Teaching Services, Planning).** Each of these departments will be responsible for implementation and performance of one component or subcomponent, alone or in partnership, as follows: Component 1: Curriculum and Assessment (specifically the NCDC, ECoL, and School Supply Unit) and Inspectorate led by the CEO of Curriculum and Assessment; Component 2: Inspectorate, Teaching Services, and Planning, led by the CEO of the Inspectorate; and Component 3: Planning, EMIS, Teaching Services, Curriculum and Assessment, and Inspectorate, led by the Director of Planning. When two or more departments are involved, only one department will have leadership of the activities. The CEO of each department will be responsible for smooth implementation and performance of the component or subcomponent under its responsibility. The overall 3-year implementation plan of the project agreed upon at appraisal will guide the CEOs.

(c) **The Department of Planning.** The project will be under the overall responsibility of the DoP, which will coordinate project activities of all components with the support of a PFU. In addition to being responsible for Component 3, the Director of Planning will oversee the management of activities on a day-to-day basis and the

PFU operating under his or her leadership. The Director of Planning will organize weekly meetings with the PFU coordinator and any other persons needed to follow project implementation closely. The Director of Planning will be in charge of reporting to the Coordination Committee on project progress on a 6-month basis and proposing any additional items to be discussed for advice or endorsement of the Coordination Committee.

(d) **Project Facilitation Unit.** This unit, which successfully managed the EFA-FTI-III project after its midterm review and is now managing the LEQEP, will be in charge of overall coordination, planning, and M&E of activities under the proposed project. The PFU is under the administrative responsibility of the DoP and will work in close collaboration with the departments in charge of project activities. It will prepare project progress reports (and all additional reports and documentation needed) for the Director of Planning to present to the Coordination Committee. The PFU comprises a coordinator, a planning and M&E officer, a financial manager, a procurement specialist, a project officer, two filing officers, and a driver.

Figure 3.1. Institutional Arrangements



2. **National Education Sector Plan.** The Education Sector Plan is a 10-year plan that MoET **implements**. Donor coordination through the LEG, which meets regularly, and joint reviews ensure that execution of each donor intervention is consistent with the sector plan.

3. **Project Implementation Manual.** MoET developed a project implementation manual, which the Bank approved in early April 2016 for the similar IDA-funded LEQEP. The Project Implementation Manual describes the relationships, roles, and responsibilities of the overall project Coordination Committee, DoP, PFU, and implementing departments. The DoP, with the

support of the PFU, will be responsible for updating the Project Implementation Manual to fit the proposed LBEIP.

Implementation Arrangements According to Component

4. **Component 1: Improving the Teaching and Learning Environment in Targeted Primary Schools and Associated Preprimary and Junior Secondary Schools.** The responsibility of the component rests with the CEO of Curriculum and Assessment. The implementation will be as follows.

(a) The NCDC is in charge of providing training on pedagogy and use of teaching and learning materials for preprimary teachers and care givers; content and pedagogical skills for teaching numeracy and literacy for Grades 1–4; mathematics and science content and pedagogical training for Grades 5–7; core classroom teaching skills, including teaching multigrade and large classes, and over-age students; and collaborating with NJCTL on the PMI-PSI demonstration.

(b) The ECoL is in charge of providing all training on assessment related to the above.

(c) The School Supply Unit is the central distribution point for MoET and is in charge of provision of learning and teaching materials under the project. The School Supply Unit field officer in each district has the responsibility to guide teachers on the use and safekeeping of textbooks.

(d) The Inspectorate will oversee the support and supervision that inspectors, subject advisors, DRTs, and education officers provide to teachers.

5. **Component 2: Strengthening School Accountability for Student Learning and Retention in Targeted Schools.** The responsibility of the component rests with the CEO of the Inspectorate. Implementation will be as follows.

(a) The Teaching Service Department is in charge of selection of SIP facilitators, who the PFU will contract.

(b) The Central Inspectorate, supported by the District Inspectorate (which works through the district education office), will be in charge of supervision of SIP facilitators, approval of SIPs, and monitoring of school grants and SRC implementation.

(c) The Department of Planning will support the Inspectorate during SRC development and implementation.

(d) The Inspectorate is responsible for organization of training related to the SIP Manual and SRC and implementation of all activities at the school level.

6. **Component 3: Strengthening Institutional Capacity and Project Management.** The responsibility of the component remains with the Director of Planning, who will work closely with all departments involved in project implementation. In particular, for the studies and

analytical work that the component will finance, the Director of Planning will work in partnership with:

- the NCDC and ECoL to review the curriculum and assess policy for primary and secondary school
- the NCDC to review the ECCD curriculum under the lead of the CEO Curriculum and Assessment
- the Inspectorate and ECoL to carry out the study primary education service delivery

7. In terms of provision of technical assistance provided within the project, the DoP will work closely with the related departments as follows.

- management of the course or program for school principals with the Teaching Service Department and Inspectorate
- development of the induction and mentorship policy for new teachers with the Teaching Service Department

8. The departments benefitting from the study or the technical assistance will prepare terms of reference for these studies and for technical assistance, with support from the PFU when needed. The Procurement Unit of MoET will handle procurement for studies and technical assistance, and the respective departments will handle contract management. For study tours, DoP will be the focal point for the departments involved and will prepare and organize the visits (e.g., purpose, number of participants, dates, bookings, practical steps) in agreement with the departments involved and with support from the PFU. The communication unit of the MoET will handle communication and outreach of project activities with support from the Director of Planning and PFU.

Financial Management, Disbursements, and Procurement

Financial Management

9. The financial management assessment was conducted in accordance with the Bank's OP 10.00 and the Financial Management Manual that the financial management board issued on March 1, 2010. The objective of the assessment was to determine whether the PFU within MoET has acceptable financial management arrangements, which will ensure use of project funds only for the intended purposes in an efficient and economical way; preparation of accurate, reliable, and timely periodic financial reports; and safeguarding of project assets.

10. The overall conclusion of the financial management assessment is that the project's financial management has an overall risk rating of moderate and that the financial management arrangements satisfy the Bank's minimum requirements under the Bank's policy and procedures on financial management (OP/BP 10.00).

Country Issues

11. Although public financial management has improved in recent years, there is still a general lack of effective systems, capacity, and experience. Work has started on development

of a new legal framework, methodologies, and systems for budget, budget execution, accounting, reporting, and oversight, but capacity remains weak. The ability of the government to attract and retain qualified financial management staff is limited, and Bank-assisted projects have therefore traditionally relied on outside advisors (finance, procurement, technical) to assist with projects in their implementation efforts.

12. To address the weakness in critical public financial management, the government is implementing a public financial management reform action plan with the support of the Bank, European Union, African Development Bank, and International Monetary Fund. This program seeks to strengthen fiscal management institutions, accountability, and oversight to improve service delivery.

13. Full use of the government's public financial management system is not yet possible. Elements that will be relied upon are the independent audit by the Office of the Auditor General and the internal audit function.

Risk Assessment and Mitigation

14. Table 3.1 summarizes the results of the risk assessment and mitigation measures.

Table 3.1. Financial Management: Risk Assessment and Mitigation

Description of risk	Risk mitigation measures incorporated in project implementation	Condition of effectiveness	Residual risk rating
INHERENT RISKS			
Country Level			
There are still notable challenges in public financial management reforms, namely, rollout of the Integrated Financial Management Information System and implementation of the Public Finance Management Reform Action Plan.	The government has acknowledged these challenges, and action plans have been identified with the support of donors to address these challenges.	No	Substantial
Entity Level			
Should new personnel be recruited, they will possess limited experience in the financial management aspects of bank-funded projects.	The project has recruited suitable qualified personnel to handle financial management aspects for the project.	No	Moderate
Project Level			
There is a risk of errors arising from a complex operation with widely spread implementing entities covering multiple locations with a large number of relatively small	A great deal of useful experience has been picked up from the recently closed EFA-FTI-III project. The senior financial management person has been retained to build	No	Moderate

Description of risk	Risk mitigation measures incorporated in project implementation	Condition of effectiveness	Residual risk rating
transactions.	on the experiences from the EFA-FTI-III project.		
Overall Inherent Risk	**Residual Risk: Moderate**		
CONTROL RISK			
Budgeting			
The budgeting process may not be comprehensive and realistic to provide an adequate basis for performance monitoring.	Budgets will prepared based on approved procurement plans. Monthly and quarterly reports will be produced to report and monitor variances.	No	Moderate
Accounting and Financial Reporting			
There is no identified risk. The project will use the existing accounting system, which has proven adequate for the closed EFA-FTI-III project.	–	–	Low
Internal Control			
The project is to be implemented at the national and subnational level. There is a risk that nonadherence may negatively affect adherence to approved policies and procedures.	The project will use the Project Implementation Manual updated for the LEQEP	No	Moderate
Funds Flow			
There is a risk that funds may not be used for purposes intended, particularly at the remote district levels.	Arrangements will be made to transfer funds on the strength of properly approved SIPs. The internal auditors will work on the project, and their coverage of the project will limit the use of funds for unintended purposes.	No	Substantial
Auditing			
No identified risk. The closed EFA-FTI-III has been submitting acceptable audit reports on time.		No	Low
Overall control risk	**Moderate**		
Overall risk	**Moderate**		

15. **Strengths.** Existing financial management arrangement processes are adequate. The closed EFA-FTI-III project received unqualified audit opinions with immaterial findings in the management letter. The overall financial management ratings in the implementation status and results reports have been consistently satisfactory.

16. **Weaknesses.** There are no identifiable weaknesses unless the entire current staff changes, in which case, the institutional memory would be eroded.

Institutional and Implementation Arrangements

17. A PFU headed by a qualified coordinator will oversee the day-to-day operations of the project. The PFU also has a financial manager who will oversee the financial management of the project.

Financial Management Arrangements

18. **Budgeting arrangements.** The PFU will prepare an annual budget for the project based on approved annual work plans, and the financial manager will be responsible for producing variance analysis reports, comparing monthly and quarterly planned and actual expenditures. The periodic variance analysis will enable timely identification of deviations from the budget. These reports will be part of the unaudited IFRs submitted quarterly to the Bank. The financial manager will coordinate the budgeting process in conjunction with the coordonator.

19. **Accounting arrangements.** The project will use the current existing computerized accounting software (TOMPRO) for project financial management and production of accounts.[75] The accounting package is capable of transaction processing and production of project annual financial statements, IFRs, and other reports required for effective management and monitoring of the project. The project is using the cash basis of accounting as prescribed under the Cash Basis Standard issued by the International Public Sector Accounting Standards Board. The accounting procedures are spelled out in the Project Implementation Manual.

Internal Auditing, Internal Controls, and Staffing Arrangements

20. **Internal auditing.** Because of the decentralized nature of the project and upholding of good governance principles, the project will be included in annual internal audit plans. The internal audit cited budget constraints as a possible limitation in covering the project. To mitigate the risk, an additional budget will be made available under operating costs to support the internal audit coverage.

21. **Internal control systems.** The PFU will use the Project Implementation Manual developed for the LEQEP based on the manual from the recently closed project EFA-FTI-III. The manual will be updated to accommodate new activities (e.g. ECCD etc.) under the new project.

[75] This software has been used for the closed EFA-FTI-III and is currently used for the ongoing LEQEP.

22. **Staffing arrangements.** The financial manager is ultimate responsible for the financial management function, supported by a senior accountant, an accountant, and an assistant accountant from MoET. The staffing arrangement will be continually reviewed during project implementation, and if the need arises for additional capacity in the PFU, additional staffing will be considered.

Funds Flow and Disbursement Arrangements

23. **Banking arrangements.** The project will open a segregated designated account denominated in U.S. dollars at the Central Bank to receive funds from IDA. A project account denominated in Maloti (LSL) will be opened and used to make local payments. This local account will be reimbursed with funds from the U.S. dollar account, although a minimum balance needs to be kept in this account.

24. **Funds flow arrangements.** Once the financing agreement is effective and a withdrawal application has been submitted, the Bank will put an initial amount equivalent to 6 months of expenditures in the designated account. Subsequent disbursements will be made on the basis of unaudited IFRs. The minimum value of a withdrawal application is US$200,000.

25. The project will also have the option of using the direct payment disbursement method, involving direct payments from the credit account on behalf of the government to the suppliers of goods and services that have a value above a set threshold; the reimbursement disbursement method, whereby the government makes payments for eligible expenditures and submits withdrawal applications for reimbursement; and the advance to a designated account method, whereby the government requests an advance to finance eligible expenditures as they are incurred and for which supporting document will be provided later.

26. The disbursement details are spelled out in the project's disbursement letter.

Financial Reporting Arrangements

27. The PFU will prepare quarterly unaudited IFRs for the project in a form and content satisfactory to the Bank that will be submitted to the Bank within 45 days after the end of the quarter to which they relate. The project will use the current formats of the IFRs.

28. The IFRs submitted to the Bank will contain the following statements.

(a) Statement of Sources and Uses of Funds

(b) Statement of Uses of Funds by Project Activity/Component

(c) Designated Account Activity Statement

(d) Bank Statements for the Designated and Project Accounts

(e) Summary Statement of Designated Account Expenditures for Contracts Subject to

Prior Review

(f) Summary Statement of Designated Account Expenditures not Subject to Prior Review

29. The annual financial statements will be prepared using international public sector accounting standards. These statements shall be submitted to the Bank within 6 months after the end of the accounting year.

30. The accounts and financial statements will comprise the following.

(a) A **statement of sources and uses of funds and cash receipts and payments**, which recognizes all cash receipts, cash payments and cash balances controlled by the entity and separately identifies payments by third parties on behalf of the entity.

(b) The **accounting policies adopted and explanatory notes**. The explanatory notes should be presented in a systematic manner with items on the statement of cash receipts and payments being cross-referenced with any related information in the notes.

(c) A **management assertion** that Bank funds have been spent in accordance with intended purposes as specified in the relevant bank legal agreement.

Auditing Arrangements

31. The Office of the Auditor General will audit project financial statements in accordance with international standards on auditing, and the audit report and the management letter and management responses will be submitted to the Bank within 6 months after the financial year-end.

32. The external auditor will be required to express a single opinion on the project financial statements, and a detailed management letter containing the auditor's assessment of the internal controls, accounting system and compliance with financial covenants in the financing agreement, suggestions for improvement, and management's response to the auditor's management letter will be prepared and submitted to management for follow-up.

Table 3.2. Audit Report Due Date

Audit Report	Due Date
Annual audited financial statements and management letter	Within 6 months after end of financial year (September 30)

Implementation Support Plan

33. Based on the outcome of the financial management risk assessment, the Implementation Support Plan (ISP) shown in table 3.3 is proposed. The objective of the ISP is to

ensure that a satisfactory financial management system is maintained throughout the project's life.

Table 3.3. Frequency of Financial Management Activities

Financial management activity	Frequency
Desk reviews	
Interim financial report review	Quarterly
Audit report review of program	Annually
Review of other relevant information	Continuous as they become available
On-site visits	
Review of overall operation of financial management system	Annual
Monitoring of actions taken on issues highlighted in audit reports, management letters, and other reports	As needed

Conclusion of the Assessment

34. The conclusion of the assessment is that the financial management arrangements are acceptable to the Bank. The overall residual risk rating is moderate, so the project will have in-field supervision at least once a year.

35. The financial management arrangements were prepared jointly with the PFU financial manager.

Table 3.4. Allocation of Loan Proceeds

Categories	Amount of grant allocated (US$)	Percentage of expenditures to be financed (inclusive of taxes)
(1) Goods, nonconsulting services, consulting services, operating costs, and training and workshops under the project	1,989,000	100
(2) Goods, nonconsulting services, consulting services, training and workshops, and operating costs required for SIPs under SIP grants for Part B.2 of the project	111,000	100
TOTAL AMOUNT	2,100,000	n.a.

SIP=school improvement plan.

Procurement

36. The Procurement Unit is receiving support from the LEQEP through recruitment of a procurement consultant and providing procurement training opportunities for procurement staff. A procurement manual has been prepared under the LEQEP and will be used for the

proposed project. With these measures in place over the life of the project, the procurement arrangements are deemed adequate.

37. The risk is rated as low.

38. **Risk Mitigation Action Plan.** The following actions are suggested to mitigate the procurement risk and facilitate implementation of the project.

Table 3.5. Procurement Management Action Plan to Mitigate Procurement Risk

Risk	Mitigation or action	Responsibility
Market and capacity of the Ministry of Education and Training is not assessed accurately, leading to poor procurement outcomes.	A project procurement strategy for development is currently under development to determine the approach to market, the selection methods, and consequently the procurement plan.	World Bank and Project Facilitation Unit

39. All procurement to be financed under the proposed project will be conducted in accordance with the World Bank New Procurement Framework, which became effective on July 1, 2016, and the provisions stipulated in the Grant Agreement. A project procurement strategy for development will be developed to determine the approach to market, the selection methods, and consequently the procurement plan. The project will carry out implementation in accordance with the 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD and IDA and Grants', dated July 1, 2016 (the Anticorruption Guidelines).

40. A Country Procurement Assessment Report (CPAR) for Lesotho was conducted in 2008. The 2008 Public Procurement Regulations regulate public procurement in Lesotho. The CPAR noted the considerable progress made in adopting modern legislation to regulate public procurement. The CPAR also noted areas requiring improvement, including allowing for use of different procurement procedures for projects financed by development partners; harmonizing the conflict between the 2008 Public Procurement Regulations, the 1967 Stores Regulations, and the 2007 Local Government Act; reviewing the provision for domestic preference so that it related to the content of the goods being provided and not to the nationality of the provider; and developing a procurement manual and accompanying bidding documents.

41. The 2008 CPAR further highlighted the limited capacity of the regulator, the Procurement Policy Advisory Division under the MoF, of the procurement units at the central level and of the procurement units at the district level. Lack of specific training and experience in public procurement and weak contract management capacity were noted. The private sector reported to perceive public procurement as having limited competition, inadequate information, and lengthy payment arrangements and viewed public procurement practices as being detrimental to its interest and prone to corruption. Robust procurement oversight systems are being developed with the 2008 Public Procurement Regulations, providing for a dispute resolution process managed by an appeals panel appointed by the Procurement Policy Advisory Division, which may limit its independence.

42. The government has started implementing some of the CPAR recommendations: redrafting of the 2008 Public Procurement Regulations; finalization of the Procurement Manual and the Standard Bidding Documents; a review of the current Chartered Institute of Procurement and Supply program to consider introduction of a public procurement module; introduction of the Procurement Tribunal under the Public Financial Management and Accountability Act to handle procurement disputes; and implementation of the Integrated Financial Management Information System. Other matters remain to be addressed.

43. Use of national procurement procedures will be intensified once the project procurement strategy for development is developed.

44. **Procurement of works.** The project will not finance works.

45. **Procurement of goods.** Goods to be procured under this project include puzzle kits, construction kits, life skills kits, literacy and numeracy kits, wall charts, readers, books, mathematics and science teaching aids, science equipment, bookshelves, tablets, and travel kits. Goods are estimated in aggregate to be not more than US$432,000. UN agencies and direct contracting may also be considered with the Bank's prior review and approval.

46. **Procurement of services (other than consultant services).** Services other than consultant services to be procured under the project will include transport for kit delivery and printing. Services are estimated in aggregate at not more than US$23,000.

47. **Selection of consultants.** Consultant services that the overall project requires for firms and individuals are estimated in aggregate at not more than US$850,000 to cover consultancies for assessments, review of the ECCD curriculum, study on service delivery, development of a management course for principals, development of an induction policy and program for newly recruited teachers, and facilitators for the grants at the school level. The contract with NJCTL, which will support the implementation of the PMI and PSI, will be single sourced. As the creator of the PMI and PSI approach, the NJCTL is the only organization with the expertise to implement this pilot program. The government has requested this approach to be implemented in the Lesotho context.

48. **Training.** This category will cover all costs related to the provision of study tours, training courses, and workshops, that is, rental of venues; related expenses, stationery, and resources required to deliver the workshops; and costs associated with financing participation of community organization in short courses, seminars and conferences, including associated per diem and travel costs. Training projects will be part of the annual work plan and budget and will be included in the procurement plan. Prior review of training plans, including proposed budget, agenda, participants, location of training, and other relevant details, will be required annually.

49. **Operating costs.** Incremental operating costs include expenditures for maintaining equipment and vehicles, fuel, office supplies, utilities, consumables, allowable travel per diems, allowable travel and accommodation expenses, workshop venues, and materials. These will be procured using administrative procedures of the borrower that are acceptable to the Bank.

50. **Procurement Manual.** The procurement procedures and SBDs to be used for Bank-funded procurement are presented in the Procurement Manual in line with the guidelines of the Bank. The Procurement Manual includes component descriptions, institutional arrangements, the regulatory framework for procurement, approval systems, activities to be financed, procurement and selection methods, thresholds, before and after review arrangements and provisions, filing and data management, and the procurement plan for the first 18 months for all project components. MoET will update the procurement manual from time to time.

51. **Assessment of the MoET Procurement Unit's capacity to implement procurement.** The MoET Procurement Unit comprises a procurement manager, three procurement officers, four assistant procurement officers, and six store keepers. The manager, procurement officer, and assistant procurement officers have at least a first degree and are at various stages of the Chartered Institute of Procurement and Supply qualification. Two procurement officers have received procurement training from the Eastern and Southern African Management Institute, and another procurement officer has since left MoET. The positions of two senior procurement officers are vacant. MoET has a tender panel chaired by the deputy Principal Secretary whose membership includes senior staff of MoET. The tender panel is ultimately responsible for all procurement within MoET. A procurement consultant has been hired to support the Procurement Unit, and procurement training is being provided to staff.

52. According to the Public Procurement Regulations of Lesotho (2007), procurement has been decentralized to procuring entities, and all procurement decisions will therefore be made at the ministry level, and delays in obtaining procurement clearances are not envisaged.

53. **Procurement Supervision.** Given the country context and the project risk indicated above, an annual postprocurement review will be conducted in addition to the semiannual supervision missions by the Bank. The Bank or Bank-appointed consultants will conduct the annual postprocurement review. Procurement supervision missions will take place once every 6 months, and special procurement supervision for postprocurement reviews will take place at least once every 12 months.

54. To enhance the transparency of the procurement process, the recipient shall publish the award of contracts generally within 2 weeks of receiving the Bank's no-objection to the recommendation of award of contract, in accordance with the procurement regulations. Additional procedures, as elaborated in the Procurement Manual, will govern the disclosure under other procurement and selection methods.

55. **Procurement Plan.** The grantee will develop a draft procurement plan for project implementation that will be updated annually or as required to reflect project implementation needs and improvements in institutional capacity.

Goods, Works, and Nonconsulting Services

56. **Prior Review Threshold**. Procurement decisions subject to prior review by the Bank as stated in Appendix 1 in the Procurement Guidelines.

Prior Review Threshold: Goods, Works, and Nonconsulting Services

Table 3.6. Prior Review Threshold

	Procurement method	Procurement method threshold (US$)	Prior review threshold (US$) Low-risk project
Works			
1.	International competitive bidding	≥7,000,000	>20,000,000
2.	National competitive bidding	200,000–< 7,000,000	n.a.
3.	Shopping (small contracts)	<200,000	n.a.
4.	Direct contracting	n.a.	All
Goods and nonconsulting services (excluding consultant services)			
1.	International competitive bidding	>1,000,000	>5,000,000
2.	National competitive bidding	>100,000– <1,000,000	n.a.
3.	Shopping	<100,000	n.a.
4.	Direct contracting	n.a	All

Procurement Packages Subject to Bank Prior and Post Review with Selection Methods and Time

Table 3.7. Procurement Packages Subject to Bank Prior and Review

1	2	3	4	5	6	7
Ref No.	**Contract (Description)**	**Estimated cost (US$)**	**Procurement method**	**Review by Bank (Prior/ Post)**	**Expected bid opening date**	**Comments**
WORKS						
	n.a.					
GOODS						
G01	Literacy kits (English & Sesotho) for Grades 1 to 3 and numeracy kits for Grades 1 to 7 for 20 schools	84,500	Shopping	Post	September 12, 2017	
G02	Literacy wall charts (English & Sesotho) for Grades 2 and 3;	9,100	Shopping	Post	October 28, 2017	

1	2	3	4	5	6	7
Ref No.	**Contract (Description)**	**Estimated cost (US$)**	**Procurement method**	**Review by Bank (Prior/ Post)**	**Expected bid opening date**	**Comments**
	numeracy wall charts for Grades 1 to 3; teaching aids for mathematics and science (20 schools)					
G03	Readers (English & Sesotho) for Grades 1 to 4 and supplemental reading for Grades 5 to 7	242,900	NCB	Post	November 29, 2017	
G04	Bookshelf or corner library for 20 schools	34,800	Shopping	Post	June 15, 2018	
G05	Three-in-one kit, teacher's guide by Longman, student book, Stars of Africa pack of 12 series for preprimary schools	5,600	Shopping	Post	February 15, 2018	
G06	Puzzle kit, construction kit, life skills kit, numeracy kit and literacy kit for preprimary schools	11,600	Shopping	Post	February 15, 2018	
G07	Science equipment for 6 schools	27,100	Shopping	Post	February 15, 2018	
G08	Travel kits for regional inspectors	1,400	Shopping	Post	November 12, 2018	
G09	Tablets for regional inspectors	1,300	Shopping	Post	April 21, 2018	
G10	Bulk stationery for workshops and training on an annual basis	9,000	Shopping	Post	September 1, 2017	
NONCONSULTING SERVICES						
NC01	Printing of teachers tests (prior and post) Printing of teacher tests (mathematics & science)	3,300	Shopping	Post	September 10, 2017	
NC02	Printing of assessment packages (Grade 7) for	2,600	Shopping	Post	September 10, 2017	

1	2	3	4	5	6	7
Ref No.	**Contract (Description)**	**Estimated cost (US$)**	**Procurement method**	**Review by Bank (Prior/ Post)**	**Expected bid opening date**	**Comments**
	20 schools					
NC03	Printing of achievement and aptitude test (Grades 4 and 7) for 20 schools	3,300	Shopping	Post	September 10, 2017	
NC04	Printing of handouts in 6 schools	13,500	Shopping	Post	August 25, 2017	
NC05	Printing of SIP manual	3,100	Shopping	Post	September 3, 2017	
NC06	Printing of SIPs. 26 schools, 50 copies per school	5,400	Shopping	Post	May 21, 2018	
NC07	Printing of school report card	1,600	Shopping	Post	September 6, 2017	
NC08	Transport for delivery of literacy and numeracy kits	3,700	Shopping	Post	April 11, 2018	
NC09	Engagement of workshop and training facility service providers annually (e.g., hotels)	70,000	Shopping	Post	September 1, 2017	

SIP=school improvement plan

Selection of Consultants

57. **Prior Review Threshold**. Selection decisions subject to prior review by Bank as stated in Appendix 1 to Guidelines Selection and Employment of Consultants.

Prior Review Threshold: Consultants

Table 3.8. Prior Review Threshold—Consultants

	Selection method	Selection method threshold	Prior review threshold Moderate-risk project
1.	Quality- and cost-based selection[a] and quality-based selection[b]	≥ $300,000	>$2,000,000
2.	Selection under a fixed budget,[c] quality-based selection, least-cost selection,[d] and selection based on consultant qualifications[e]	< $300,000	>$2,000,000

3.	Single source (firms)	n.a.	All
4.	Individual consultants	n.a.	>$500,000
5.	Single source (individual consultants)	n.a.	All

Note: [a]Section II, [b]Para 3.2, [c]Para 3.5, [d]Para 3.6, [e]Para 3.7 of Consultant Guidelines.

58. **Short list comprising entirely national consultants**. The short list of consultants for services estimated to cost less than US$300,000 equivalent per contract may comprise entirely national consultants in accordance with the provisions of Paragraph 2.7 of the Consultant Guidelines. All terms of reference irrespective of the value of the consultancy assignment are subject to prior review.

Consultancy Assignments with Selection Methods and Time Schedule

Table 3.9. Consultancy Assignments

Reference Number	Description	Estimated Amount (US$)	Procurement or selection method	Before- or after review	Expected proposal submission or opening date	Comments
C01	NJCTL consultancy (including evaluation)	226,800	Single source selection	Prior	August 25, 2017	As the creator of the Progressive Math Initiative and Progressive Science Initiative approach, NJCTL is the only organization with the expertise to conduct this pilot program. The government has requested that this approach be implemented in the Lesotho context. NJCTL is also being contracted for the LEQEP.
C02	Engagement of facilitators (12 for very remote schools)	214,200	IC	Post	January 17, 2018	Post, because there will be 12 separate contracts, all below the post-review threshold.
C03	Review of curriculum and assessment policy for primary and	10,400	IC	Post	May 12, 2018	

	secondary—1 national consultant					
C04	Review of Early Childhood Care and Development curriculum—1 international consultant	52,000	IC	Post	April 9, 2018	
C05	Development of management course for principals—1 international consultant	92,000	IC	Post	October 21, 2017	
C06	Development of induction policy or program for new teachers—1 international consultant	52,000	IC	Post	May 1, 2018	
C07	Study on primary education service delivery	149,000	Firm	Post	August 15, 2017	

Note: NJCTL= New Jersey Center for Teaching and Learning; IC=individual consultant

Environmental and Social (including safeguards)

59. **The project is expected to generate positive social effect and enhance equity.** Based on 2014 EMIS data, the project is expected to benefit as many as 5,100[76] beneficiaries, including 4,100 students in the targeted primary schools; 900 students who attend the targeted junior secondary schools; 173 preprimary, primary, and junior secondary teachers; and 26 school boards (including school principals). The beneficiary schools are located in rural areas and primarily serve children from poor families, two main factors that determine school achievement. This targeting is expected to increase equity in the distribution of quality education services.

[76] The total is

60. **The project is classified as Category C.** The proposed project does not trigger any of the Bank's safeguards policies because it will not support physical infrastructure. The Project Implementation Manual and the SIP manual will include specific clauses describing the ineligibility of physical infrastructure under the project.

Monitoring and Evaluation

61. **Framework.** A results M&E framework has been prepared and agreed upon with the government. The results framework outlined in Annex 1 defines baseline values and targets to assess progress made toward achieving the PDO.

62. **Strategy.** The PFU, in close collaboration with DoP in the MoET and other technical departments, will be responsible for M&E activities. The MoET departments will assist the process by providing the necessary information and data.

63. **Capacity.** The project will strengthen the EMIS to ensure better collection and use of data for decision-making. Data collected will support annual and periodic implementation progress reports of the project.

64. **Monitoring and evaluation of activities.** Under the responsibility of DoP, the PFU will be in charge of overall M&E of indicators and activities by the different departments involved in project activities. In addition, a third party will evaluate the SIP outcomes and collect data on the PDO indicators on teacher content knowledge at the primary and junior secondary levels. For an added level of supervision of activities, there can be spot checks by an internal auditor of activities, third-party verification through nongovernmental organizations, parent associations at the school level, the regional and local structure of MoET, and as part of external audit of the project.

65. **Evaluations.** Each of the project activities will be evaluated periodically to ensure that implementation is on track, the results are achieved, and the effect of interventions is captured and to provide lessons learned and inform further project implementation. The PFU will ensure that project activities are evaluated regularly.

66. **Reports.** Progress reports will be prepared twice a year on the status of project implementation and outcomes as well as updated data on performance indicators. Activities and specific analytical work will be evaluated periodically to measure the project's effect on beneficiaries and the efficiency of service delivery. The PFU will ensure that reports are produced on time and submitted through the Director of Planning to the Overall Project Coordination Committee for discussion and endorsement before being shared with the Bank and partners.

67. **Agreed indicators for monitoring.** The indicators cover the three components and are included in the results framework in Annex 1.

68. **Support missions.** The Bank will conduct at least two implementation support missions per year to assess the progress of project activities, evaluate the project's technical and

financial performance, and provide recommendations to improve implementation. In between, technical missions will be organized depending on the needs.

69. **Report on sector performance.** LEG and MoET will monitor sector performance in joint sector reviews.

Annex 4: Implementation Support Plan

KINGDOM OF LESOTHO: Basic Education Improvement Project

Strategy and Approach to Implementation Support

1. The ISP for the project has been developed based on the complex and innovative character of activities, the existing capacity of government counterparts, and the project's risk profile in accordance with the Systematic Operations Risk-Rating Tool. Therefore, intensified support will be essential to ensure that the project is implemented successfully. The ISP will be reviewed during implementation as needed to ensure that it continues to meet the implementation support needs of the project.

2. The objective of the ISP is to provide adequate support to MoET departments in implementation of the project, focusing on results. Technical and fiduciary capacity-strengthening and implementation support will be provided throughout the life of the project. Implementation support from the Bank will comprise at least two regular implementation support missions every year. Individual staff might conduct additional technical missions based on need. Continued support via virtual communication methods (e.g., video conference, audio conference, e-mail, Skype, telephone) will be organized between implementation support missions.

3. The two regular implementation support missions will include field visits to collect firsthand, qualitative information on project implementation status, progress, and performance. Risks will also be monitored, and the risk assessment will be updated as needed. The main findings, recommendations, and agreed actions during those missions will be recorded in aide memoires.

4. A midterm review will be conducted approximately halfway through the implementation of the project to take stock of performance under the project. The midterm review would assess progress toward achieving the PDO indicators and PDO, as well as overall project implementation arrangements. Based on findings at the midterm review, government counterparts and the Bank management team will consider recommendations for amendments to the project.

Implementation Support Plan

5. The Bank team will provide direct implementation support, and additional consultants might be asked to provide technical assistance as needed. Particularly during the first year, the

project will benefit from expertise of technical and institutional consultants who have worked on project preparation to ensure smooth implementation. Implementation support under the proposed project will focus on overall policy dialogue for education sector, project, and component strategic objectives; overall implementation; financial management; procurement; and M&E (table 4.1). This table does not include ad hoc consultants needed to boost implementation.

Table 4.1. Personnel Requirement

Time	Focus	Skills Needed	Resource	Education Partners Role
Throughout project implementation period	Overall policy dialogue; project implementation supervision and support; team management and coordination; internal reporting; coordination with local education group and other sectors	Task, project, and team management; education planning; policy dialogue and analysis	Bank task team leader	Sharing of information on sector and update on respective programs in sector Feedback on project effect on education sector
	Review of education program; implementation progress and performance; technical and advisory support for project implementation	Education planning, policy dialogue and analysis, operations	Education specialist, operations officer, analyst	
	Review of M&E arrangements; data quality; implementation progress and performance indicators; technical and advisory support for M&E	Technical knowledge and experience in M&E	Implementation specialist	
	Review of financial management arrangements; technical and advisory support for financial management	Technical knowledge and experience in financial management	Financial management specialist	
	Review of procurement arrangements and capacity; procurement documents; technical and advisory support for procurement issues	Technical knowledge and experience in procurement	Procurement specialist	
	Review of legal covenants	Technical knowledge and experience in legal	Legal counsel	
	Overall support	Task coordination	Program assistant	

Time	Focus	Skills Needed	Resource	Education Partners Role

Note: M&E = Monitoring and Evaluation.

Table 4.2. Skills Mix Required

Skills Needed	Staff weeks per fiscal year	Trips per fiscal year	Location
Senior education specialist (task team leader)	12	3	Headquarters
Education specialist, operations analyst, officer	8	2	Headquarters or in the region
Senior procurement specialist	6	2	In the region (Pretoria)
Senior financial management specialist	6	2	In the region (Pretoria)
Senior legal counsel	2	–	–
Overall implementation specialist	6	2	Consultant
Program assistant	5	–	Headquarters
Team assistant	3	–	In the region (Maseru)

Note: TTL =

Table 4.3. Partners

Name	Institution or country	Role
U.N. Educational, Scientific, and Cultural Organization	UN	Sector coordination
U.N. Children's Fund	UN	Inputs and feedback, coordination
Japanese International Cooperation Agency	Japan	Inputs and feedback, coordination
China	China	Inputs and feedback, coordination
Irish Aid	Ireland	Inputs and feedback, coordination
European Commission	European Union	Inputs and feedback, coordination
Peace Corps	United States	Inputs and feedback, coordination
Vodacom Foundation	Private sector	Inputs and feedback, coordination