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Report No: PAD2341

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF SDR 7.3 MILLION

(US\$10 MILLION EQUIVALENT)

TO THE

REPUBLIC OF SIERRA LEONE

FOR THE

REVITALIZING EDUCATION DEVELOPMENT IN SIERRA LEONE PROJECT

May 30, 2017

Education Global Practice
Africa Region

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CURRENCY EQUIVALENTS
(Exchange Rate Effective April 30, 2017)

Currency Unit = Sierra Leonean Leone (SLL)
US\$1 = SLL 7,520.00
US\$1 = SDR 0.729

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
ASC	Annual School Census
BECE	Basic Education Certification Examination
BOG	Board of Governors
DA	Designated Account
DEO	District Education Office
DFID	Department for International Development
DP	Development Partner
ECCE	Early Childhood Care and Education
EDF	Education Development Fund
EMIS	Education Management Information System
ERRTF	Ebola Recovery and Reconstruction Trust Fund
ESP	Education Sector Plan
ESMF	Environmental and Social Management Framework
EU	European Union
EVD	Ebola Virus Disease
FM	Financial Management
GDP	Gross Domestic Product
GER	Gross Enrollment Ratio
GPE	Global Partnership for Education
GPI	Gender Parity Index
GRS	Grievance Redress Service
IE	Impact Evaluation
IP	Implementation Progress
ISR	Implementation Status and Results Report
JSS	Junior Secondary School
LC	Local Council
LEG	Local Education Group
MDTF	Multi- donor Trust Fund
M&E	Monitoring and Evaluation
MEST	Ministry of Education, Science, and Technology
MOFED	Ministry of Finance and Economic Development
MTR	Midterm Review
NPSE	National Primary School Examination
NPV	Net Present Value
ODK	Open Data Kit
PAD	Project Appraisal Document
PBF	Performance-based School Grants

PCR	Primary Completion Rate
PDO	Project Development Objective
PFMU	Project Financial Management Unit
PIM	Project Implementation Manual
PIN	Payroll Identification Number
PPP	Purchasing Power Parity
PS	Permanent Secretary
PTSC	Productivity and Transparency Support Credit
QAT	Quality Assurance Test
REDiSL	Revitalizing Education Development in Sierra Leone
RF	Results Framework
SDP	School Development Plan
SIP	School Improvement Plan
SMC	School Management Committee
SMS	Short Messaging Service
SSS	Senior Secondary School
TA	Technical Assistance
TF	Trust Fund
ToR	Terms of Reference
TSC	Teaching Service Commission
UNICEF	United Nations Children’s Fund
WAEC	West African Examinations Council
WASSCE	West African Secondary School Certificate Examination

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**SIERRA LEONE
ADDITIONAL FINANCING FOR THE REVITALIZING EDUCATION
DEVELOPMENT IN SIERRA LEONE PROJECT**

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ADDITIONAL FINANCING DATA SHEET

Sierra Leone

*Additional Financing for the Revitalizing Education Development in Sierra Leone Project
(P163161)*

AFRICA

EDUCATION GLOBAL PRACTICE

Basic Information – Parent							
Parent Project ID:	P133070	Original EA Category: B - Partial Assessment					
Current Closing Date:	31-Dec-2017						
Basic Information – Additional Financing (AF)							
Project ID:	P163161	Additional Financing Type (from AUS):		Scale Up			
Regional Vice President:	Makhtar Diop	Proposed EA Category:		B – Partial Assessment			
Country Director:	Henry G. R. Kerali	Expected Effectiveness Date:		15-Sept-2017			
Senior Global Practice Director:	Jaime Saavedra Chanduvi	Expected Closing Date:		31-Dec-2019			
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Project Financing Data - Parent (REVITALIZING EDUCATION DEVELOPMENT IN SIERRA LEONE-P133070) (in US\$, Millions)							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P133070	TF-16568	Effective	01-Aug-2014	01-Aug-2014	29-Sep-2014	28-Feb-2017	31-Dec-2017
P133070	TF-17720	Closed	01-Aug-2014	01-Aug-2014	29-Sep-2014	28-Feb-2017	31-Mar-2017
P133070	TF-A2012	Effective	15-Jun-2016	15-Jun-2016	15-Jun-2016	28-Feb-2017	31-Dec-2017

Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P133070	TF-16568	Effective	US\$	17.90	17.90	0.00	13.55	4.35	75.68
P133070	TF-17720	Closed	US\$	2.46	2.46	0.00	2.46	0.00	100.00
P133070	TF-A2012	Effective	US\$	0.95	0.95	0.00	0.95	0.00	100.00
Project Financing Data - Additional Financing for the Revitalizing Education Development in Sierra Leone Project (P163161) (in US\$, Millions)									
<input type="checkbox"/> Loan <input type="checkbox"/> Grant <input type="checkbox"/> IDA Grant <input checked="" type="checkbox"/> Credit <input type="checkbox"/> Guarantee <input type="checkbox"/> Other									
Total Project Cost:		10.00		Total Bank Financing:		10.00			
Financing Gap:		0.00							
Financing Source – Additional Financing (AF)								Amount	
International Development Association (IDA)								10.00	
Total								10.00	
Policy Waivers									
Does the project depart from the CAS in content or in other significant respects?							No		
Explanation									
Does the project require any policy waiver(s)?							No		
Explanation									
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Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Sierra Leone	Northern Province	Tonkolele District		X	
Sierra Leone	Southern Province	Pujehun District		X	
Sierra Leone	Northern Province	Port Loko District		X	
Sierra Leone	Eastern Province	Moyamba District		X	
Sierra Leone	Southern Province	Kono District		X	
Sierra Leone	Northern Province	Koinadugu District		X	
Sierra Leone	Northern Province	Kenema District		X	
Sierra Leone	Northern Province	Kambia District		X	
Sierra Leone	Eastern Province	Kailahun District		X	
Sierra Leone	Southern Province	Bonthe District		X	
Sierra Leone	Southern Province	Bombalibana District		X	
Sierra Leone	Southern Province	Bo District		X	
Sierra Leone	Western Area	Western Area		X	Urban
Sierra Leone	Western Area	Western Area		X	Rural
Institutional Data					
Parent (REVITALIZING EDUCATION DEVELOPMENT IN SIERRA LEONE-P133070)					
Practice Area (Lead)					
Education					
Contributing Practice Areas					

Additional Financing for the Revitalizing Education Development in Sierra Leone Project (P163161)
Practice Area (Lead)
Education
Contributing Practice Areas
Consultants (Will be disclosed in the Monthly Operational Summary)
Consultants Required? Consulting services to be determined

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide an Additional Financing (AF) credit in the amount of SDR 7.3 million (US\$10 million equivalent) from IDA to the Republic of Sierra Leone for the Revitalizing Education Development in Sierra Leone (REDiSL) Project (P133070). The parent project is funded by grants from the Global Partnership for Education (GPE) (in the amount of US\$17.9 million), U.K. Department for International Development (DFID) through the Multi-donor Trust Fund (MDTF) (in the amount of US\$2.46 million),¹ and the Ebola Recovery and Reconstruction Trust Fund (ERRTF) (in the amount of US\$0.95 million). The REDiSL Project is currently scheduled to close on December 31, 2017.

2. The proposed AF (P163161) would support the scaling up and strengthening of a number of activities supported under the REDiSL Project to further extend and increase its development impact and to ensure that the project development objective (PDO)—to improve the learning environment in targeted schools and establish systems for monitoring of education interventions and outcomes—is achieved more fully. The proposed AF will support: (a) scaling up of performance-based school grants; (b) increased technical assistance (TA) to the Teaching Service Commission (TSC) to execute its statutory mandate; (c) implementation of the 2018 Annual School Census (ASC); and (d) associated project management and supervision. Relevant modifications will be made to the Results Framework (RF), component costs, disbursement arrangements and estimates, and implementation schedule. Implementation and financial management (FM) arrangements for performance-based school grants have also been updated.

II. Background and Rationale for Additional Financing

Country Context

3. **Sierra Leone is a country of approximately seven million people located on the west coast of Africa.** It is divided into 14 districts and 19 Local Councils (LCs). Approximately 42 percent of the population is below the age of 18 and 60 percent is below the age of 25. Human development outcomes are low, with Sierra Leone ranking 179 out of 188 countries on the 2015 United Nations Development Programme Human Development Index. Life expectancy is 51.3 years, the infant mortality rate is 87.1 per 1,000 live births, and the maternal mortality rate is one of the highest in the world with 1,360 deaths per 100,000 live births.

4. **The Ebola Virus Disease (EVD) outbreak had a devastating impact on human development and the economy of Sierra Leone.** The first cases of infection were reported in Sierra Leone in May 2014, which marked the beginning of an unprecedented epidemic that resulted in the infection of 12,000 people and took the lives of more than 3,880 people. It also had severe negative consequences on the country economically and socially. In July 2014, the Government declared a state of emergency wherein curfews were imposed throughout the country and entire districts were put under quarantine. The large majority of the country's population was unable to access basic health services, schools were closed, and economic

¹ While under the original design DFID had committed US\$5.5 million to the REDiSL Project, following the Ebola Virus Disease (EVD) crisis, DFID made a corporate decision to shift its support to the President's Recovery Priorities. The REDiSL Project was restructured to account for the reduced financing.

activity came to a standstill.² Poverty rates, which had declined to 46 percent before the crisis (from 52.9 percent in 2011), increased to 49 percent in 2015.³

5. **The country's macroeconomic indicators experienced significant decline as a result of the EVD crisis, which was further compounded by a downturn in iron ore prices.** Sierra Leone's economy was spurred in the three years before the crisis (2011–2013) by large mining production and exports, which had resulted in gross domestic product (GDP) growth accelerating from 6.3 percent in 2011 to 20.7 percent in 2013. By 2015, the economy had contracted by 21 percent as a result of the EVD crisis and the sharp decline in iron ore prices.⁴ The positive trend in the Government's fiscal position was reversed with domestic revenue declining to 10.1 percent of GDP in 2015, down from 12.6 percent in 2013. Inflation increased to 9.8 percent by the end of 2014 and further increased to 17.4 percent by December 2016 largely as a result of the growing depreciation of the exchange rate.

6. **While the economy is still recovering from the impact of EVD, domestic revenue mobilization remains challenging and the Government is forced to cut spending.** Most economic activities have gradually normalized to pre-crisis levels, though the iron ore industry has not fully recovered due to low commodity prices. Real GDP increased by 6 percent in 2016 and is expected to grow 5 to 6 percent annually in the short to medium term as the supply bottlenecks caused by the EVD crisis continue to ease. Despite the positive outlook, mobilizing domestic revenue remains challenging while foreign aid is being slowly scaled back to its pre-EVD level.⁵ At the same time, the fiscal deficit has ballooned, reaching 8.2 percent of GDP in 2016 against a target of 3.6 percent and is financed by an increase in domestic borrowing and accumulation of arrears. The 2017 budget presented to the Parliament in November 2016 seeks to achieve fiscal sustainability by improving domestic revenue mobilization and rationalizing public expenditures. Domestic revenues are slated to increase to 13.5 percent of GDP, up from 12.2 percent in 2016, from streamlining tax exemptions and expanding the fiscal base. On the other hand, consumption spending by the Government is expected to decrease while the wage bill is expected to contract by 1.1 percent of GDP. This will have an adverse impact on the provision of and demand for social services as there will be cuts in funding for the social sectors (health, education, and so on), while inflation and some stabilization measures (for example, elimination of fuel subsidies) may lead to a reduction in demand for education, especially among the poorest families who may no longer be able to afford schooling for their children.

Sector Context

7. **The Education Sector Plan (ESP) (2014–2018) was developed in 2013 by the Government in close collaboration with development partners (DPs).** The ESP laid out the Government's strategy for increasing access, improving quality, and building systems. The plan is founded on three pillars for moving the education agenda forward: (a) access, equity, and completion; (b) quality and learning outcomes; and (c) systems strengthening.

² For example, 90 percent of firms reported a decline in sales, 32 percent of private sector workers were laid off, and 61 percent were working reduced hours.

³ These are projections based on the Sierra Leone Integrated Household Survey from 2004 and 2011.

⁴ In 2014, there was a complete collapse of the price of iron ore which declined by 47 percent.

⁵ Total revenue and grants decreased from 16.2 percent of GDP in 2015 to 15.3 percent in 2016, as foreign aid scaled down to its pre-Ebola level. Despite the sharp depreciation of the leone, budget support grants dropped from 3 percent of GDP in 2015 to 0.8 percent in 2016, while project grants remained broadly unchanged around 2.4 percent of GDP in 2016.

8. **Implementation of the ESP as initially envisaged was no longer possible as priorities were realigned to support the country's recovery from the EVD crisis.** Just months after the implementation of the ESP began, the EVD outbreak occurred. In the months which followed, schools were shut down “for the foreseeable future.” During this shutdown, at least 20 percent of educational institutions lost trained and qualified teachers and/or students and there was a significant increase in the incidence of teenage pregnancy. As reports of Ebola cases diminished, the Government outlined a Recovery and Transition Plan for key sectors in February 2015 to be implemented over a 24-month period with the first phase implemented between July 2015 and March 2016. Education sector priorities for this first phase were to get all children back to school, keep schools safe, and accelerate learning to make up for lost time. During this time, the Government also paid school fees for all students, supplied accelerated learning materials to schools, provided teachers training in the use of these new materials, and offered alternative education opportunities for pregnant girls wanting to return to school. The second phase, which focused on sustaining gains made under the previous recovery phase and facilitating the transition to the Government's Agenda for Prosperity, was launched in April 2016, and is expected to end in June 2017.⁶

9. **As a result of the disruptions caused by the EVD crisis, only partial progress was made toward achievement of the ESP's original targets.** While the number of enrolled students increased at all levels, overall participation rates appear to have declined by 2015 compared to the immediate pre-Ebola period, as evidenced by the increase in the number of out-of-school children at the primary level, and the lowering of gross enrollment ratios (GERs) at the junior secondary school (JSS) and senior secondary school (SSS) levels between 2013 and 2015.⁷ While the gender gap at preprimary and primary levels has been eliminated and significantly reduced for JSS, gender disparities are still significant at the SSS level.⁸ The primary completion rate (PCR) has remained almost at the same level at 75.3 percent in 2015 (compared to 76.3 percent in 2013), having improved from 71 percent in 2012, but remains far lower than the ESP target for 2018 (90 percent). The transition rates from primary school to JSS have also remained constant at 75 percent, lower than the 87 percent target for 2018.

Key Challenges Facing the Education Sector

10. **In addition to limited access to schooling, among those children who attend school, rates of retention and learning outcomes are low.** Further, there are significant regional and socioeconomic disparities in terms of access to quality education. These outcomes are driven by a number of factors, including, most notably, insufficient and inadequate school infrastructure, limited availability of critical quality inputs, low quality of teachers and poor

⁶ The focus of this phase (medium-term recovery) has been on classroom construction in 500 schools to address overcrowding; approval of 482 unapproved schools; teacher payroll clean up; provision of WASH facilities in 360 schools; school feeding targeting 800,000 children to incentivize student attendance and retention; and improving teaching and learning through development of lesson plans for all grades in primary and junior secondary schools in two subjects (mathematics, English) and a two-day training of 41,000 teachers on these lesson plans.

⁷ While a decline in GER can be attributed to an increase in share of students of the requisite age, the share of overage students appears to have actually increased between 2013 and 2015 at both primary and JSS levels. National Assessment of the Situation of Out-Of-School Children in Sierra Leone (UNICEF, 2017).

⁸ At JSS, the Gender Parity Index (GPI) has improved, from 0.91 in 2012 to 0.96 in 2015, an indication that with more effort, gender parity can be realized at the JSS level in the next five years. At the SSS level, the GPI improved from 0.59 in 2010 to 0.77 in 2015.

teacher management, and inadequate management and accountability systems. These challenges persist as insufficient resources are allocated to address them.

11. **Limited access to preprimary and secondary education.** Sierra Leone has made considerable progress in expanding access to primary education in the post-war period. With a primary GER of 127.6 percent and a PCR of 75.3 percent in 2015, Sierra Leone outperforms its comparators (such as Liberia, Guinea) on this indicator. Compared to primary, the GER in preprimary (10 percent), JSS (63 percent), and SSS (28 percent) are much lower, and for preprimary and SSS, the GER is lower than the rates found in comparable countries. A key factor is the limited supply of schools at these levels;⁹ in particular, preprimary and senior secondary schools are highly concentrated in urban and peri-urban areas.¹⁰ Further, 35 percent and 38 percent of preprimary and senior secondary schools in 2015 are purely private schools compared to just 6 percent of primary schools, which makes access to these levels unaffordable for a large segment of the population.

12. **Poor learning outcomes and low retention rates.** The 2014 Early Grade Reading Assessment (EGRA) found that 87 percent of Grade 2 students were unable to read a single word in the short passage given to them (compared to 40 percent of Grade 2 students in Gambia, 30 percent in Liberia, and 53 percent in Uganda). Further, many children are still lacking the most basic reading, writing and, comprehension skills at the end of Grade 3 (for example, over 50 percent could not write their own name in a reading test administered by the United Nations Children’s Fund [UNICEF] in 2011).¹¹ While some children enter school late, progress through the education system is slow and characterized by high dropout and repetition rates. In 2012, for example, the survival rate to the last grade of primary was 48 percent, while the share of repeaters at the primary level was 13.6 percent in 2015.

13. **Regional and socioeconomic disparities.** The gender gap in enrollment, completion, and learning outcomes at the primary level has been eliminated, but gradually deepens at the secondary level.¹² Key barriers to access include: (a) high direct, indirect, as well as opportunity costs of schooling; (b) distance to and accessibility of secondary schools; and (c) early marriage and teenage pregnancy.¹³ The inequities in access and learning at all levels of education are also seen along socioeconomic and geographic lines. For example, 47 percent of girls in JSS aged 15 to 17 years from the poorest households were at risk of dropping out of school in 2015, compared to 2 percent of girls from the wealthiest households. In addition, while 5.14 percent of students who took the West African Secondary School Certificate Examination (WASSCE) from the Western region in 2016 obtained at least a credit in any five subjects, only 0.42 percent of students did so from the Eastern region.

⁹ For every preprimary school, JSS, and SSS, there are 7, 6, and 18 primary schools, respectively.

¹⁰ For example, the Western region comprises 44 percent of all preprimary schools (compared to 14 percent of all primary schools) while Kenema City, Bonthe City, Makeni City, Bo City, and Koidu City comprise 20 percent of all preprimary schools (compared to 7 percent of all primary schools). The picture is very similar for SSS.

¹¹ Poor learning outcomes are also observed at the higher levels of the education system as well with only 3.59 percent of candidates who took the WASSCE in 2016, obtaining a credit in any five subjects including English and mathematics, which is the criterion for entry into higher education.

¹² For instance, completion rates are 49 percent among girls compared to 54 percent among boys at the JSS level and 17 percent among girls compared to 24 percent among boys at the SSS level.

¹³ For example, a UNICEF study found that nearly three out of every ten or 29 percent of out-of-school girls are excluded from school as a result of teenage pregnancy.

14. **Low-quality teaching.** Available research highlights teacher quality as one of the main drivers of student learning.¹⁴ Almost one-half of the teachers in the workforce are not qualified for their level and position. However, evidence from previous studies in Sierra Leone show a (statistically) insignificant correlation between teacher qualifications and student learning outcomes. Many teachers, even if trained, lack the content knowledge, pedagogical skills, and mastery of the language of instruction to deliver quality instruction, raising concerns about the initial entry level expected of pre-service teacher training candidates and the nature of training being offered. While pre-service teacher training has its own challenges (for example, poor quality of curriculum and instructors), teacher training colleges have indicated that the quality of applicants and entrants to the pre-service training program is uniformly low, implying that the education system is not producing viable candidates for the teaching profession.

15. **Teacher management is weak, with a high degree of randomness in teacher allocation,** indicating that a large portion of postings are determined by factors other than school size. There are also substantial disparities across districts in allocation of qualified teachers—for example, the Western Area Urban has a pupil-to-qualified teacher ratio of 30:1 compared to 84:1 in Pujehun. Further, there is large cadre of unapproved teachers—out of a total of 63,597 teachers, only 36,725 have a payroll identification number (PIN). Teacher absenteeism is high (20 percent), and incentives and accountability mechanisms for improving teacher performance are not well-functioning. Lastly, teacher payroll integrity is a major issue concerning effective governance.¹⁵ While the TSC was established in 2011 to address issues of teacher management and professional development, it is not yet functional.¹⁶ This is largely due to (a) delays in approval of the salary structure of TSC staff, without which successful applicants could not be appointed; and (b) delays in transfer of files, records, and functions from the Ministry of Education, Science, and Technology (MEST) to the TSC.¹⁷

16. **Inadequate infrastructure.** As a result of an insufficient number of schools, overcrowding is a serious issue, with 49.2 percent of schools having a student-classroom ratio exceeding 40:1 in 2015 (22.4 percent of schools have a student-classroom ratio greater than 60:1). Existing facilities are inadequate according to the 2015 ASC: (a) around 15 percent of classrooms at the primary level are makeshift structures; (b) at least 80.2 percent are in need of repairs (with only 7.8 percent of classrooms in good condition); (c) 26 percent of classroom furniture is in need of repair or needs to be replaced; (d) 71 percent of schools have access to a

¹⁴ See, for example, Rockoff (2004); Rivkin et al. (2005); Aaronson et al. (2007); Metzler and Woessmann (2012); Chetty et al. (2014); and Das and Bau (2016) for evidence based on quasi-experimental data. These findings are supported by a growing experimental literature reviewed in, for example, Kremer, Brannen, and Glennerster (2013); Glewwe and Muralidharan (2015); Bruns, Filmer, and Patrinos (2014); and Evans and Popova (2016).

¹⁵ A pilot payroll cleaning exercise undertaken in January 2017 in two districts showed that only 62 percent of teachers with a PIN are found teaching in the school where they are authorized to teach by the MEST, while 24 percent of teachers with a PIN could not be found during enumeration.

¹⁶ The TSC was created as a semiautonomous body in 2011 in response to the recommendations from the Gbamanja Commission of Enquiry, which was set up in response to the poor performance of Sierra Leone students on the Basic Education Certification Examination (BECE) and WASSCE. The mandate areas of the TSC are teacher registration and licensing, teacher management, teacher professional development and performance, and teacher-employer relations. While the TSC was created in 2011, the TSC Chair was only appointed in July 2015 and the inaugural meeting of the TSC was convened in August 2016. With support from GPE under the parent project, the TSC office has been equipped, refurbished, and furnished; staff recruitment is ongoing; and TA is being provided to develop policy guidelines and district operations manual in the TSC mandate areas.

¹⁷ It is expected, however, that some of these issues will be remedied as the World Bank's budget support operation—the Productivity and Transparency Support Credit (PTSC) (P156651)—is being leveraged to include prior actions and triggers related to TSC functionality.

water source but only 20.4 percent of schools reported uninterrupted water availability all year around; (e) 25.4 percent of schools have latrines in poor condition while another 26.9 percent does not have access to any latrines; and (f) only 9 percent of schools have a library.

17. **Limited availability of textbooks.** There is a shortage of textbooks available to students according to the 2015 ASC—for example, at the primary level, the student-textbook ratio is around 3:1 (and around 4:1 for science textbooks). However, even when textbooks have been distributed, they are not always utilized. An impact evaluation (IE) of a textbook distribution program in Sierra Leone showed that student access to textbooks did not increase because a large majority of the books were stored rather than used.¹⁸

18. **Inadequate management and accountability systems.** While 84 percent of schools in 2015 had a functioning School Management Committee (SMC) (of which two-thirds met at least three times a year), only 62 percent of schools prepared a School Development Plan (SDP).¹⁹ Even when SDPs are prepared, they are not sufficiently performance-oriented—the lack of performance-oriented school management combined with the inadequate level of school operating budget stymies improvements in the quality of education provided. Head teachers and SMC members do not have the guidance, expertise, resources, or support needed to effectively manage schools and teachers, with 65 percent of schools reporting not having received any training on school management. At the district level, the District Education Offices (DEOs) are inadequately staffed, do not have sufficient resources to undertake school visits, and do not have the expertise and tools needed to play an effective supervision and support role at the school level. At the system level, an Education Management Information System (EMIS) is in place. A major component of the EMIS is the ASC, which has been carried out every year for the last five years (except 2014) with support from GPE, DFID, and/or UNICEF, but no formal reviews of data quality are conducted and there is still a considerable lag between when data are collected and information is disseminated. During the post-Ebola recovery period, a Situation Room²⁰ was launched, which collects data on key indicators from schools every month using a platform based on short messaging service (SMS). However, there are gaps in coverage (for example, on average, the Situation Room covers fewer than 60 percent of schools), and the two sources (the ASC and the Situation Room) are not integrated under a single EMIS. DPs are supporting the MEST in improving data dissemination, but the feedback loops from the school to the central level and vice versa need further strengthening.

19. **Limited public spending on education.** In 2013, public expenditure on education in Sierra Leone was 2.4 percent of GDP and 15.2 percent of total Government expenditure in comparison to the Sub-Saharan Africa averages of 4.0 percent and 16.6 percent, respectively. The share of current expenditure in total education expenditure is very high (99.5 percent in 2014) compared to other countries in the region, of which around three-fourths is spent on staff compensation. Disaggregated by education level, 90 percent of current expenditure at the primary level and 96 percent at the secondary level was for staff compensation in 2011. Public

¹⁸ Sabarwal, S., D. Evans, and A. Marshak. 2013. *The Permanent Textbook Hypothesis: School Inputs and Student Outcomes in Sierra Leone*. World Bank.

¹⁹ In particular, only 58 percent of primary schools had prepared an SDP, even though primary schools are most likely to have a functional SMC (89 percent).

²⁰ Situation Rooms are hubs for receiving data from schools and school communities through phones, and sharing processed information with users of the information for action. Every month, 1,182 monitors collect data from schools on key delivery indicators (for example, teacher and student attendance). Monitors report the data using the SMS-based RAPIDPRO platform.

spending per student at the primary and secondary levels (purchasing power parity [PPP] US\$106 and PPP US\$150 in 2013) is among the lowest in the region.

Development Partners' Support to the Education Sector

20. **There has been an increase in investment in the education sector by DPs.** There was a surge in DP support for education during the Ebola recovery period in support of the Presidential Recovery Priorities. As Sierra Leone transitions from a recovery (emergency) to a development phase, DFID, European Union (EU), and UNICEF have initiated (or will initiate shortly) programs to improve access, quality, and management in the sector. Their current and planned support is as follows:

- DFID, through its Sierra Leone Secondary Education Improvement Program²¹ (GBP 62 million), is supporting the implementation of the second phase of the Presidential Recovery Priorities in education and providing financing to the UNICEF Girls' Access to Education Project. The upcoming phase of this project will focus on improving quality of education and learning, promoting girls' access, and supporting system-level interventions.
- The EU is providing support under the 11th Education Development Fund (EDF)²² (€30 million), which will focus on primary education with some support for the JSS level, while also providing support to technical and vocational education and training. In addition to supporting capacity building of the MEST as well as teacher training and development of teaching and learning materials, the project will also support the expansion of the EMIS to include non-formal and post-secondary institutions and data on learning outcomes, teacher records and payroll, and human resource management in the MEST and the TSC (including teachers).
- UNICEF is implementing the Girls' Access to Education Project, with an emphasis on community mobilization, sensitization of boys and men, mentoring, girls' safety and addressing and preventing school-related gender-based violence, and providing support to the Situation Room.²³ UNICEF is also piloting a community-based early childhood development model in 22 communities as well as cluster monitoring in six remote districts.

21. Table 1 provides an overview of current donor interventions in the sector by education level, highlighting areas of support as well as key gaps. As can be seen, while donors support various types of interventions at different levels of education, coverage in general tends to be partial, in terms of either geography, schools, subjects, and/or grade.

²¹ This program started in June 2016 with an expected closing date of March 2021.

²² EDF was signed off in March 2017 for a period of 36 months.

²³ Which is based on the UNICEF-pioneered RAPIDPRO and EDUCAP technology platform.

Table 1. Matrix of Donor-supported Interventions, by Level of Education

Key Education Sector Interventions	Donor	Education Level			
		Pre-primary	Primary	JSS	SSS
New facilities/centers/schools	UNICEF, GPE/World Bank	X (P)			
Girls' education	DFID/UNICEF			X	X
Pre-service teacher training	GPE/WB	X (P)	X (P)		
In-service teacher training	GPE/World Bank, EU, DFID, UNICEF	X (P)	X (P)	X (P)	X (P)
SMC capacity building	GPE/World Bank		X (P)	X (P)	
WASH	DFID, UNICEF		X (P)	X (P)	
School feeding	CRS, WFP		X (P)		
Classroom construction	DFID, IDB		X (P)	X (P)	X (P)
Performance-based financing	GPE/World Bank		X (P)	X (P)	
Provision of education materials	GPE/World Bank, DFID, EU	X (P)	X (P)	X (P)	X (P)
Development of lesson plans	DFID, EU		X (P)	X (P)	
Curriculum development	UNICEF, GPE/World Bank	X	X	X	X
Learning Assessment	GPE/World Bank, DFID, EU		X	X	X
EMIS/ASC	GPE/World Bank, EU		X		
Situation room	DFID, UNICEF		X		
TSC/Teacher Management	GPE/World Bank, EU, DFID (payroll)		X		
District-level supervision and support	DFID, EU		X		
MEST capacity building	EU		X		

Note: (P) means partial coverage; CRS = Catholic Relief Services; IDB = Islamic Development Bank; WFP = World Food Programme.

22. **Donor coordination.** The Local Education Group (LEG), co-chaired by the MEST and UNICEF (the GPE coordinating agency) and comprising donors and education nongovernmental organizations as its members, provides a forum for information sharing and to discuss issues facing the sector. The MEST is currently preparing an updated ESP (2018–2020), which will be reviewed and endorsed by the LEG before it is submitted to GPE. The MEST also established a Donor Coordination Desk in 2016, with support from the parent project, and information sharing has improved since the Desk became functional.

Parent Project Status

23. The ongoing REDiSL Project supports key elements of the ESP (2014–2018) and the MEST Ebola recovery efforts through the following four components: (a) Improving the Learning Environment and Opportunities in Targeted Areas; (b) Strengthening Education Service Delivery; (c) Project Management and Supervision; and (d) Support to the implementation of MEST Ebola Strategic Response Plan. The project was approved on July 31, 2014, by the Africa Region Vice President²⁴ and became effective on September 29, 2014, with an original closing date of February 28, 2017.

24. The EVD crisis delayed the project's formal launch by one year to August 2015. During this time, some project activities had been initiated and the project was restructured in early 2015 to allocate US\$1.45 million (of the originally unallocated project funding) to a new

²⁴ As the parent project is a trust-funded (TF) operation, the approval authority rested with the Regional Vice President. As the proposed AF will be funded by an IDA credit, it will be submitted to the World Bank's Board of Executive Directors for approval.

component (Component 4 - Support to the Implementation of MEST Ebola Strategic Response Plan). In June 2016, an AF in the amount of US\$0.95 million from the ERRTF was approved to expand recovery activities in the context of the EVD crisis. While DFID's original financing commitment was US\$5.5 million, in October 2016, DFID withdrew US\$3.1 million of this commitment to invest it in activities in the President's Recovery Priorities for 10–24 months (which were outside the scope of the REDiSL Project design). As a result of initial delays and in light of DFID's decision to reduce its funding, the REDiSL Project was restructured on February 17, 2017 which: (a) extended the project closing date by ten months to December 31, 2017; and (b) reallocated available funding across components to ensure that, in light of the diminished resources, the project would still be able to achieve its PDO.

25. The REDiSL Project has made important progress toward achievement of its PDO. Two out of the five PDO-level indicators' end-of-project targets as well as the end-of-project target for the core indicator (number of direct project beneficiaries) have been achieved or exceeded and another PDO-level indicator end-of-project target has been partially achieved. Specifically, under the project, there have been more than 2.3 million beneficiaries, 8,100 schools have reopened, seven donors are currently working with the ministry through the Donor Coordination Desk, and 44 percent of schools have met 60 percent of performance targets. Progress has also been made on most intermediate results indicators, as follows: (a) 50 preprimary classrooms have been constructed; (b) 1,350 schools are receiving performance-based school grants (PBF); (c) the organogram of the TSC has been approved; (d) a report on the ESP has been completed; (e) 5,970 schools have been disinfected and have received handwashing stations; (f) 36,000 handwashing stations have been procured and distributed to schools; (g) a house-to-house assessment report has been completed; (h) 600 hours of radio programs have been broadcast; and (i) all of the country's 14 districts have benefitted from the social mobilization campaign. It is expected that all of the other indicator targets for the parent project – for example, completion of learning assessment, number of teachers trained under the project, transfer of teacher records from MEST to TSC, policy guidelines developed for licensing and registration of teachers – will be achieved by the current closing date of December 31, 2017.

26. Implementation progress (IP) is currently on track. As described above, the REDiSL Project had encountered some delays initially related to the EVD crisis and most recently related to the withdrawal of DFID funding, reimbursement of the Government for pre-financed Ebola-related expenses, processing of withdrawal applications, and full establishment and functionality of the TSC. These delays were reflected in the downgrading of key ratings in the Implementation Status and Results Report (ISR) for December 2016. These issues have, however, been largely addressed, and, in the case of the TSC, progress has been observed and next steps agreed. There has been a marked increase in the pace of project implementation accompanied by a significant increase in the disbursement rate (which currently stands at about 80 percent). This resulted in an upgrading of the key ratings (PDO and IP) to Moderately Satisfactory, accompanied by Moderately Satisfactory ratings in all other areas in the ISR which followed.²⁵ All audits were submitted in a timely manner, and the project has been

²⁵ Under paragraph 29 of OP/BP 10.00 (Investment Project Financing), the World Bank may provide AF to an ongoing, well-performing project for completion of project activities when there is a financing gap or cost overrun, for scaling up the development effectiveness of the project, and/or in cases of project restructuring, when the original World Bank Loan or World Bank Guarantee is insufficient for the modified or additional activities. While all of the project ratings are currently Moderately Satisfactory in the ISR, the project did not have these ratings in the December 2016 ISR; however, the project has been rated Moderately Satisfactory for the majority of its life and significant progress has been observed in implementation in recent months. In light of this, the Regional Vice President endorsed an exception to the requirement on March 29, 2017.

compliant with the legal covenants.

Rationale for Additional Financing

27. **Significant efforts have been made in the last two years to mitigate the impact of the EVD crisis but the education system is still under significant stress.** The Presidential Recovery Priorities for education have played a significant role in mitigating the devastating impact that the EVD crisis has had on the education sector. Nevertheless, progress on ESP targets had slowed down during 2014–2016 and some education sector outcomes have declined. Meanwhile, persistent challenges facing the sector related to low retention, low learning outcomes, inadequate teacher management and quality, poor quality of school infrastructure, inadequate quality inputs, and low public spending on education have further exacerbated the stress the education system is experiencing in the aftermath of the EVD crisis.

28. **The Government is facing significant fiscal pressure which threatens education sector delivery and outcomes.** Facing severe budgetary pressure, the Government has been forced to cut spending. While schools rely on Government-provided fee subsidies to cover operating costs, some schools have reported not having received them for the current academic year. As a result, schools are resorting to charging parents different kinds of fees to keep the schools operational and to pay teachers (almost half the teachers are not on Government payroll and are paid directly by the school).²⁶ This practice has significant implications on the affordability of schooling, especially for poor households. Finally, inflation and increases in fuel prices will increase the overall cost of providing education, putting more pressure on the already-overstretched education system.

29. **The proposed AF would scale up select existing activities that are most relevant to address the pressing issues in the sector, are complementary to other initiatives, and that must be reinforced to maximize gains.** The Government has requested support for these interventions because they: (a) are relevant in addressing some of the key underlying issues affecting progress in the sector—namely inadequate school-based financing (further exacerbated in the context of fragile growth and fiscal constraints), weak school-based management and accountability, and poor teacher quality and teacher management—as described above; (b) are complementary to support from other DPs;²⁷ and (c) require additional support to maximize their sustainability and, in turn, gains in the future.²⁸ The scale-up of performance-based school grants under the proposed AF will not only relieve the financial burden on eligible schools in the six most disadvantaged LCs, but it will also act as a lever to encourage schools to reorient spending toward activities that improve equitable access, retention, quality, and the state of school infrastructure, as the size of school grants is tied to

²⁶ For example, focus group discussions in districts reveal that children are paying for their assignments to be marked and for ‘practicals’ for all subjects, including social studies.

²⁷ Subcomponents on Early Grade Reading, Learning Assessment and Capacity Building were not prioritized as there are existing initiatives in these areas. Early Childhood Care and Education (ECCE) is one area that would have benefitted from AF as there is only one other initiative in this area (a pilot by UNICEF). However, given the AF resources, simultaneous expansion of the ECCE activities and performance-based school grants was not possible. However, recognizing the importance of ECCE, performance-based school grants will also be extended to preprimary schools supported by the parent project to cover operational costs (for example, classroom materials, teacher, and caregiver stipends).

²⁸ The proposed AF would allow for testing of the full PBF/performance-based school grants model (which has a life cycle of more than two years), but which was not possible under the parent project given delays in launch of the activity and subsequent revisions. Similarly, the TSC launch was significantly delayed, which reduced the window of support under the parent project; the proposed AF hence provides an opportunity to sustain the efforts and build on the gains made under the REDiSL Project to make the TSC functional.

performance on these indicators. Under the AF, the effectiveness of school grants will be reinforced through intensifying support for strengthening school-based management, and accountability over school performance and use of funds. Further, by supporting efforts to ensure that the TSC is fully functional, the AF will be critical in addressing constraints related to teacher quality and management.

30. **The proposed AF also builds on available evidence and lessons learned during implementation of the parent project.** As described in the technical appraisal summary, a body of research has emerged which highlights the important role that school grants, performance incentives, strengthening of school-based management practices, and community engagement can play in improving access, quality, and efficient use of education resources and inputs. Qualitative evidence from monitoring visits to schools receiving performance-based school grants under the parent project also suggest positive emergent impacts even after a short implementation period, especially on teachers' attitudes and motivation,²⁹ and more parents are now eager to send their children to these schools on the grounds that teachers' performance has improved and the schools are not levying extra charges. However, weaknesses were identified related to financial management (FM) and reporting by schools (linked to low capacity and knowledge of schools and SMCs in this area) and the development of performance-oriented activity plans to guide utilization of school grants. In addition, communities and local officials need to be more strongly engaged on holding schools to account on their performance and grant utilization. The proposed AF will therefore scale up performance-based school grants while further stepping up its support for strengthening accountability and school-based management capacities. Annex 2 provides further details on the implementation challenges, lessons learned, and their integration into program design.

31. **The AF is also aligned with the current ESP (2014–2018).** As mentioned above, the parent project is co-financed by the GPE and is supporting key strategic objectives of the ESP, as it focuses on improving the quality of education and learning outcomes, and strengthening of the education system. Likewise, the AF supports strategic objectives of the ESP, as it will finance scaling up of interventions supported by the parent project, which was designed to address some of the key issues identified in the ESP. The selected activities are also pertinent in the context of the recent Midterm Review (MTR) of the ESP, which highlighted issues related to financing of schools and teacher management as critical constraints to the sector.

Rationale for World Bank Engagement

32. **The proposed AF is consistent with the Joint Country Assistance Strategy FY2010–2013 (Report 52297), particularly one of its two pillars, which focuses on human development and specifically on investments to support decentralized delivery of social services and primary education.** The Government's Agenda for Prosperity has also identified education and training as key investments in human capital development in supporting economic growth. The AF is well-aligned with these key strategic documents, and is also responsive to the sector constraints as identified in the Systematic Country Diagnostic currently under preparation

33. **The World Bank will bring added value through its experience under the parent project and the technical expertise and knowledge gained from similar operations around**

²⁹ Head teachers from the 86 schools selected for monitoring visits reported an increase in teachers' attendance; reduction in teacher turnover; improvement in monitoring the punctuality, regularity, and attitude of students; and holding of free extra classes by teachers.

the globe. The World Bank is well-positioned to effectively deliver the AF-supported activities, based on previous experience and support to implementing and improving the design of these activities under the parent project as well as its experience with other PBF programs around the world. Drawing on lessons from similar programs in other countries, and based on its understanding of the implementation environment and capacity constraints, the World Bank had worked closely with the MEST under the parent project to simplify the PBF model and bring it in closer alignment with government systems, priorities, and capabilities. As a result, the implementation of the school grants activity has become easier with timely disbursement of grants. The lessons that have emerged from the implementation of the activities in the parent project are fully integrated into the design of the proposed AF.

34. **There are substantial synergies with other World Bank projects in the Governance, Social Protection, and Information and Communication Technology sectors.** Support to the TSC under the parent project and the proposed AF is being reinforced through the PTSC, which includes prior actions related to TSC functionality. Further, the parent project and the proposed AF will be leveraging complementary interventions in the Public Financial Management Improvement and Consolidation Project to strengthen EMIS and data capabilities in the MEST; reinforce data dissemination and citizen engagement around PBF; and support the deployment of an electronic teacher records and payroll system, which is compatible with the Integrated Financial Management Information System. The proposed AF will also benefit from approaches to social accountability, and community mobilization undertaken by the Decentralized Service Delivery Project. In addition, the West Africa Regional Communications Infrastructure Program is providing fiber optic Internet connectivity and free Internet service to 10 tertiary and 10 secondary institutions.

Alternatives Considered

35. **Various alternatives and complementary options were considered.** An alternative to an AF, which was considered, was starting a new operation. However, the proposed AF design builds squarely on the activities supported under the parent project and its achievements to date. Further, the proposed AF can benefit from important efficiencies as it will have the same implementation arrangements as the parent project and the preparation time and cost of an AF are expected to be lower. For these reasons, an AF using an Investment Project Financing instrument (as is used by the parent project) was deemed the most appropriate.

III. Proposed Changes

Summary of Proposed Changes

Under the proposed AF, the PDO will remain unchanged. Activities to be supported under the parent project will continue to be implemented as planned until its closing date of December 31, 2017. The proposed AF will support the scale-up/continuation of the following activities: Subcomponent 1.1 (Provision of performance-based school grants); Subcomponent 1.4 (Improvements to teacher management); Subcomponent 2.2 (Establish robust consistent school data collection and analysis); and Subcomponent 3.1 (Project management and supervision).

Specifically, the AF will finance the following (by subcomponent):

- **Under Subcomponent 1.1.** Provision of performance-based school grants to the originally targeted 1,350 schools, an additional 500 other primary and junior secondary schools in two other LCs, and selected preprimary schools/classrooms where teachers that were trained under the parent project have adopted the play-based pedagogical approach, as well as additional

capacity building, data collection, information dissemination, monitoring and evaluation (M&E), and operational costs related to the provision of school grants

- **Under Subcomponent 1.4.** Additional TA to support TSC execute its functions in the four mandate areas of teacher registration and licensing, teacher management, teacher performance and development, and teacher-employer relations.
- **Under Subcomponent 2.2.** Support to the national rollout of the ASC in 2018
- **Under Subcomponent 3.1.** Project management and supervision costs for the abovementioned additional activities which will continue following the closing of the parent project, but commensurate with the scope of the AF activities

Relevant modifications will be made to the Results Framework (RF), component costs, disbursement arrangements and estimates, and implementation schedule, as described in the following sections. Implementation and FM arrangements for performance-based school grants (Subcomponent 1.1) have also been updated with details provided in the following sections and in annex 2.

Change in Implementing Agency	Yes [] No [X]
Change in Project's Development Objectives	Yes [] No [X]
Change in Results Framework	Yes [X] No []
Change in Safeguard Policies Triggered	Yes [] No [X]
Change of EA category	Yes [] No [X]
Other Changes to Safeguards	Yes [] No [X]
Change in Legal Covenants	Yes [] No [X]
Change in Loan Closing Date(s)	Yes [] No [X]
Cancellations Proposed	Yes [] No [X]
Change in Disbursement Arrangements	Yes [X] No []
Reallocation between Disbursement Categories	Yes [] No [X]
Change in Disbursement Estimates	Yes [X] No []
Change to Components and Cost	Yes [X] No []
Change in Institutional Arrangements	Yes [X] No []
Change in Financial Management	Yes [X] No []
Change in Procurement	Yes [] No [X]
Change in Implementation Schedule	Yes [X] No []
Other Change(s)	Yes [] No [X]

Development Objective/Results

Project's Development Objectives

Original PDO

The PDO is to improve the learning environment in targeted schools and establish systems for monitoring of education interventions and outcomes.

There is no change to the PDO under the proposed AF.

Change in Results Framework

Explanation:

All indicators in the original RF will be tracked until the closing date of the parent project (December 31, 2017).³⁰ The indicators to be tracked for the AF (a few of which are the same as those used for the parent project) are included as separate indicators in the RF (see annex 1), to ensure achievements under the original financing can be measured separately from those realized under the AF. This will allow for clear attribution of project achievements under the parent project and the AF.³¹

Under the proposed AF, three of the original six PDO-level indicators will be replicated, including the two core indicators, albeit with different baseline and end-of-project values and/or dates, and one new PDO-level indicator will be added to capture progress under the proposed AF related to TSC functionality. Additionally, one PDO-level indicator for the parent project will be replicated under the AF as an intermediate results indicator. At the intermediate level, one original intermediate results indicator will be replicated under the AF, albeit with a different baseline and end-of-project value and/or date, and two new intermediate results indicators will be added.

Compliance

Covenants - Additional Financing (Additional Financing for the Revitalizing Education Development in Sierra Leone Project - P163161)

Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
IDA	Schedule II. Section I (f)	The recipient shall engage, before the end of each calendar year, consultants to conduct third party validation (sample-based) of the implementation of Performance-Based School Grants by Eligible Schools under Part 1(a)(i) of the Project.		<input checked="" type="checkbox"/>	Yearly	Yearly
IDA	Schedule II. Section II (A.4)	The recipient shall, no later than 14 months after project effectiveness, undertake, in conjunction with all agencies involved in the Project, a	15-Nov-2018			New

³⁰ In the attached RF, the end target date for the indicator is December 29, 2017 (as the system did not allow entering a non-work day date - December 31, 2017). However, the closing date of the project is December 31, 2017.

³¹ Since the original project is TF-funded and the proposed AF is IDA-funded, this approach will facilitate the end-of-project evaluations, which will be required by the donor-funded original financing (following the closing of the parent project and related TFs).

		comprehensive mid-term review of the Project during which it shall exchange views with the World Bank and implementing agencies generally on all matters relating to the performance of the Project, the performance of the Recipient of its obligations under the Financing Agreement and the performance by said implementing agencies, having regard to the performance indicators referred to in paragraph 1 of Section II.A. of the Financing Agreement.				
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Conditions						
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Source of Fund	Name	Type
IDA	Updated PIM	Effectiveness
Description of Condition		
The Project Implementation Manual (PIM) has been updated in accordance with Section I.B.1 of Schedule 2 to the Financing Agreement. (Article IV, 4.01)		

Risk						
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Risk Category	Rating (H, S, M, L)
1. Political and Governance	Substantial
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Low
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Substantial
7. Environment and Social	Low

8. Stakeholders	Moderate
9. Other	
OVERALL	Substantial

Finance

Loan Closing Date - Additional Financing (Additional Financing for the Revitalizing Education Development in Sierra Leone Project - P163161)

Source of Funds	Proposed Additional Financing Loan Closing Date
International Development Association (IDA)	31-Dec-2019

Change in Disbursement Arrangements

Explanation:

A new Designated Account (DA) (in U.S. dollar) will be set up to receive IDA funds for financing AF activities under Components 1 to 3 (as described above), amounting to US\$10 million equivalent. The DA will be opened in a commercial bank acceptable to IDA. There will be three disbursement categories: one will be for ‘works, goods, consultancy services, non-consultancy services, training, and operating costs’ and will represent funds allocated to all AF subcomponents (excluding school grants Subcomponent 1.1) and will disburse only after the parent project (GPE) closing date (December 31, 2017). The other two categories will be for performance-based school grants supported under Subcomponent 1.1 in (a) original and additional schools—disbursed after the parent project (GPE) closing date and (b) additional schools—disbursed until the parent project (GPE) is closed.

Change in Disbursement Estimates (including all sources of Financing)

Explanation:

Disbursement projections for 2017-2019 are revised to reflect estimated disbursements from the AF. Disbursement estimates for 2014-2016 are based on actuals.

Expected Disbursements (in US\$, Millions) (including all Sources of Financing)

Fiscal Year	2014	2015	2016	2017	2018	2019	2020			
Annual	1.01	2.55	4.00	13.90	5.54	4.10	0.21			
Cumulative	1.01	3.56	7.56	21.46	27.00	31.10	31.31			

Allocations - Additional Financing (Additional Financing for the Revitalizing Education Development in Sierra Leone Project - P163161)

Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement %(Type Total)
			Proposed	Proposed
IDA	US\$	(1) Performance-based school grants under Subcomponent 1.1 of the project - original and additional schools	6,300,000.00	100 Disbursed after GPE Closing Date
IDA	US\$	(2) Performance-based school grants under Subcomponent 1.1 of the project - additional schools	400,000.00	100 Disbursed until GPE Closing Date

IDA	US\$	(3) Goods, works, non-consulting services, consultants' services, training, and operating costs under Subcomponents 1.1, 1.4, 2.2, 3.1 of the project	3,300,000.00	100 Disbursed after GPE Closing Date
		Total:	10,000,000.00	

Note: GPE refers to the Global Partnership for Education Trust Fund co-financing the parent project, with an expected closing date of December 31, 2017.

Components

Change to Components and Cost

Explanation:

The proposed AF will provide support to scale up and strengthen key efforts supported under the parent project. Under the proposed AF, as described in the following sections, support will be provided for select activities across Components 1, 2, and 3 (specifically, Subcomponents 1.1, 1.4, 2.2, and 3.1). Annex 2 provides a detailed description of activities to be supported under the proposed AF. The implementation of all other activities under the parent project not supported by the AF will be complete on or before the closing of the parent project (December 31, 2017).

Component 1: Improving the Learning Environment and Opportunities in Targeted Areas (Current allocation (GPE): US\$14.9 million; Total allocation with proposed AF (IDA): US\$24.4 million)

Subcomponent 1.1: Performance-based school grants (Current allocation (GPE): US\$5.1 million; revised allocation with proposed AF (IDA): US\$14.0 million). The proposed AF will finance (a) the provision of performance-based school grants to: (i) the 1,350 originally targeted schools for an additional five rounds; (ii) 500 new primary and junior secondary schools in two additional LCs for six rounds; and (iii) selected preprimary schools/classrooms where the teachers that were trained under the parent project have adopted the play-based pedagogical approach. This AF will also support (b) capacity-building support to school management on school grants implementation and monitoring; (c) increased information dissemination, experience sharing, and community engagement on school performance and grant management; (d) M&E; and (e) incremental operational costs. Implementation of AF activities (a)(i), (b)–(e) will commence after the parent project is closed; only activities (a)(ii)–(a)(iii) listed above will begin implementation while the parent project is still active.

Subcomponent 1.4: Improvements in teacher management (Current allocation (GPE): US\$1.9 million; revised allocation with proposed AF (IDA): US\$2.4 million). The AF will scale up TA to the TSC to execute its functions in the four statutory mandate areas of teacher registration and licensing of teachers, teacher management, teacher performance and development, and teacher-employer relations. More specifically, the AF will support the TSC in (a) developing a registration and licensing program for new teachers; (b) developing training modules and materials for a head teacher/principal leadership program; (c) extending TA consultant support to TSC in executing its teacher management functions; and (d) undertaking additional studies and research. The AF will also continue to finance selected operating expenses of the TSC, as agreed in the updated Project Implementation Manual (PIM). Implementation of these AF-supported activities will commence after the parent project is closed.

Component 2: Strengthening Education Service Delivery (Current allocation (GPE, MDTF): US\$2.9 million; Total allocation with proposed AF (IDA): US\$3.2 million)

Subcomponent 2.2: Establish robust consistent school data collection and analysis (Current allocation (GPE, MDTF): US\$0.8 million; revised allocation with proposed AF (IDA): US\$1.1 million). The AF will finance the national rollout of a digital ASC in 2018, using digital technology for data collection, as well as for data analysis, reporting, and dissemination. Implementation of these AF-supported activities will commence after the parent project is closed.

Component 3: Project Management and Supervision (Current allocation (GPE): US\$1.1 million; Total allocation with proposed AF (IDA): US\$1.3 million)

Subcomponent 3.1: Project management and supervision (Current allocation (GPE): US\$0.95 million; revised allocation with proposed AF (IDA): US\$1.3 million). Additional funding will be provided for project management and supervision under the proposed AF, specifically to cover costs related to staffing and operational costs of the REDiSL Secretariat associated with the implementation of the proposed AF and commensurate with the scope of AF activities. Implementation of these AF-supported activities will commence after the parent project is closed.

Current Component Name	Proposed Component Name	Current Cost (US\$, Millions)	Proposed Cost (US\$, Millions)	Action
Improving the Learning Environment and Opportunities in Targeted Areas	Improving the Learning Environment and Opportunities in Targeted Areas	14.9	24.4	Revised
Strengthening Education Service Delivery	Strengthening Education Service Delivery	2.9	3.2	Revised
Project Management and Supervision	Project Management and Supervision	1.1	1.3	Revised
Support the implementation of MEST Ebola Strategic Response Plan	Support the implementation of MEST Ebola Strategic Response Plan	2.4	2.4	No Change
	Total:	21.3	31.3	

Other Change(s)

Implementing Agency Name	Type	Action
Ministry of Education, Science, and Technology (MEST)	Implementing Agency	No Change

Change in Institutional Arrangements

Explanation:

All project components (including Subcomponent 1.1) supported by the proposed AF will be implemented under the coordination auspices of the REDiSL Secretariat of the MEST, similar to the arrangements under the parent project. Implementation of Subcomponent 1.4 which supports the TSC will be undertaken by the TSC, while the implementation of the school grants activity (Subcomponent

1.1) will be the responsibility of the MEST (Policy and Planning Directorate) through the school grants team/unit in close association with the DEOs and the FM Specialist in the REDiSL Secretariat.

While a Project Financial Management Unit (PFMU) is planned to be established within the Ministry of Finance and Economic Development (MOFED)—where key functions including FM, procurement, internal audit, and M&E for all World Bank projects will be consolidated—it has been agreed that the parent project and proposed AF would retain the same FM, procurement, internal audit, and M&E procedures as detailed in the Project Appraisal Document (PAD) (and updated in annex 4 of this Project Paper) until December 31, 2017 (the closing date of the original project), to minimize disruptions to the implementation of the original project. At the time of the parent project closing or when the PFMU is operational (whichever comes later), the relevant arrangements for the AF will be revisited and modified, as necessary, to align with the PFMU.

Change in Financial Management

Explanation:

The REDiSL Secretariat will directly manage the FM systems (budgeting, accounting, and reporting) for all subcomponents including school grants under Subcomponent 1.1 (until such a time that FM functions are transitioned to the consolidated PFMU in MOFED). FM arrangements for school grants under Subcomponent 1.1 will be the same as for other subcomponents.

Change in Implementation Schedule

Explanation:

The parent project will close as planned on December 31, 2017. Only those activities supported by the AF will be continued following the closing of the parent project. The AF closing date is December 31, 2019.

IV. Appraisal Summary

Economic and Financial Analysis

Explanation:

The expected economic benefits of the project are associated with improvements in learning, access for out-of-school children, and an increase in progression rates, as a result of school grants, thereby leading to an increase in the number of children completing primary, JSS and SSS levels. This, in turn, will yield gains in life cycle earnings. The economic impact is, therefore, estimated as the incremental benefit induced by the performance-based school grants (PBF) intervention.

A cost-benefit analysis was undertaken for the AF-supported school grants component, which shows that the AF is economically viable. Project benefits were calculated by multiplying the number of additional beneficiaries with a given education completion profile with the probability of wage employment for a given age and school completion profile and the wage premium associated with that age and school completion profile. Age of labor market entry was assumed to be 15 for primary and JSS graduates and 18 for those who completed SSS, and working life was assumed to be 40 years. A discount rate of 10 percent was applied. In the base case scenario, the present discounted value of benefits for the school grants is estimated to be US\$38.32 million (expressed in constant 2015 U.S. dollar) while the present discounted value of costs is estimated to be US\$9.83 million (expressed in constant 2015 U.S. dollar). The corresponding net present value (NPV) of incremental program benefits is US\$28.49 million (expressed in constant 2015 U.S. dollar), and the internal rate of return associated with this NPV is 18 percent, while the benefit-cost ratio is 3.90.

Although the cost-benefit analysis does not quantify the impact of improvement in learning, research findings show that one standard deviation from the mean in cognitive skills (learning outcomes) results

in 0.17 to 0.22 proportional increases in wages (Patrinos and Psacharopoulos 2010). Further, there are social returns to investing in education which are more difficult to quantify (for example, an informed citizenry). In addition, there is growing research about the effects of increasing access to secondary education for girls, especially on reproductive health, fertility, and empowerment outcomes (Warner, Malhotra, and McGonagle 2012; Ackerman 2015).

World Bank Value Addition

The value added of World Bank support derives from its experience to date in the Sierra Leone context, and specifically, its experience under the parent project and close work with the MEST to simplify the PBF model in light of the implementation and capacity constraints. Further, the World Bank is able to draw on its technical expertise in school grants programs in Africa and in other regions.

Rationale for Public Financing

As per the Education Act of 2004, basic education is compulsory and will be free in all government-assisted primary and junior secondary schools. The Act also provides for grants to disadvantaged schools. Pursuant to the Act, government-assisted schools receive capitation grants from the Government to cover their operating costs to compensate for the loss of revenue from charging fees. The performance-based school grants activity supported by the AF builds on the capitation grants provided by the Government and targets schools in disadvantaged communities, in line with the Act.

Technical Analysis

Explanation:

The proposed AF will reinforce and scale up key activities that propose to tackle some of the underlying issues affecting progress on access, retention, and learning in the education sector, and that are critical to further achievement of the PDO. The technical analysis for each activity to be supported under the AF is provided in the following sections.

Subcomponent 1.1: Performance-based school grants

As described above, since fee subsidies are currently insufficient and their provision is erratic, schools have resorted to levying informal charges to remain operational. Scaling up the performance-based school grants activity will help mitigate the financial stress on schools and address the issue of informal charges (which adversely impacts access and retention of poor students), which is also corroborated by qualitative evidence from monitoring of this activity under the parent project. Although the AF will only cover 1,850 primary and junior secondary schools (27 percent) of the 6,902 Government, mission/religious, and community primary and junior secondary schools in the country, the support under the AF will target primary schools and JSS in the six most disadvantaged LCs, based on their socioeconomic and education profile.

A large body of research shows the positive impact of school grants on access. In Haiti, for example, a study found that schools receiving school grants³² had greater growth in enrollment than those that did not (Adelman and Holland 2015). There is also evidence to suggest that performance incentives can lead to improved learning (Muralidharan and Sundararaman 2012; Duflo, Hanna, and Ryan 2012). Moreover, research shows that building school-based management capacities is a key complement to school grants to improve school performance. For example, in Gambia, school grants combined with comprehensive school management training to school staff and community representatives led to more than 20 percent reduction in student and teacher absenteeism (Blimpo, Evans, and Lahire 2015). Research from India and Indonesia also show that stronger school-community links and community-

³² In Haiti, the program provided an annual per-student payment to participating nonpublic schools that agree to not charge any form of tuition fees to students.

level information dissemination on school performance positively affects teacher effectiveness and student learning (Pradhan et al. 2011; Pandey, Goyal, and Sundararaman 2011).

The design of the performance-based school grants activity (under the parent project as well as under the proposed AF) builds on the evidence of what has worked. As such, the school grants comprise not only a capitation grant (base grant) but also include performance incentives tied to teacher and student attendance, student progression, school management, and improvement in test performance (up to 100 percent of the base grant). Further, the AF support to this activity would improve its overall efficacy through capacity building of SMCs in school-based management. Efforts to disseminate information on school performance, grant receipts, and utilization, and engage the community more intensively to discuss these issues under the proposed AF will further increase accountability at the local level. Hence, the scale-up of this activity under the proposed AF is also expected to have an overall positive impact on access, retention, quality, and learning.

Continued support to the provision of performance-based school grants under the proposed AF would provide sufficient time to implement and test the whole model, as the full implementation and intended impact of this activity could not be realized under the parent project. Further, continuation of this activity would provide the opportunity to observe changes (captured through annual surveys and third-party validations) on a variety of input, process, and outcome indicators in addition to those indicators tied to performance payments.

Subcomponent 1.4: Improvements in teacher management

There is now strong evidence from other countries that both teacher effort and skills can be raised, leading to improved learning outcomes. However, since teacher effort, ability, and skills are complementary in generating high-quality education, it is important to address issues at the level of a system as a whole to create a cadre of professional educators who provide high-quality education. Given how critical teacher quality and management issues are in Sierra Leone, the proposed AF will provide further support to the TSC to deliver on its mandate. Building on the support provided to the TSC with the development of policy guidelines under the parent project, the proposed AF will continue the support to the TSC to implement the policy guidelines, informed by sound evidence and research, after the parent project is closed.

Subcomponent 2.2: Establish robust consistent school data collection and analysis

Building on the support provided under the parent project to pilot digital data collection (using Open Data Kit [ODK]), the proposed AF will support the national rollout of a digital ASC in 2018. This approach offers a number of advantages to address current issues of data quality, timeliness of data availability, and data dissemination: (a) built-in validation checks that will flag errors at the point of data entry (school); (b) geographic information system and multimedia capture (for example, pictures of school facilities, school registers, and so on) which can be used for verification; and (c) integration with a data analysis and visualization tool to automate key aspects of the data analysis, including the production of school-level reports. In addition to being a critical input for monitoring progress under the ESP, the ASC will also inform the implementation of activities under Subcomponents 1.1 and 1.4.

Social Analysis

Explanation:

Similar to the parent project, the AF is expected to also have a positive social impact, as it will increase access to quality education for boys and girls in deprived LCs of Sierra Leone. As with the parent project, the AF-supported actions that directly address the gender and equity issues include: (a) targeting of performance-based school grants to marginalized LCs selected on the basis of an index of socioeconomic and education sector indicators (see annex 2 for details); (b) differential (that is, higher) benefit amounts for improvements in retention and exam performance of girls in JSS compared to boys; and (c) information dissemination and community engagement on gender-disaggregated PBF

performance indicators. Achievement of the PDO-level indicator related to performance-based school grants (Percentage of schools that meet 60 percent of performance targets) is determined partly by achievement on performance targets related to girls' education. Third-party reviews and validations built into the design of the school grants subcomponent will also aim to solicit and present disaggregated feedback from both male and female students.

The proposed AF also complements other more focused efforts by the Government and DPs to improve girls' education. For example, the UNICEF Girls' Access to Education Project aims to strengthen community mobilization and scale up bridging programs for pregnant and out-of-school adolescent girls to ensure their return and reintegration in schools, as well as address issues of safety and school-based gender violence. In addition, the Government is providing a fee exemption for girls in JSS.

The proposed AF will strengthen and scale up activities supported under the parent project to improve transparency, accountability, and community participation through the provision of school-based performance grants and related training and awareness raising. To this end, the AF will support the training of head teachers, teachers, and SMCs around school improvement planning, PBF processes, and monitoring and accountability of school performance and grant utilization. In addition, the proposed AF will support regular facilitated discussions with community members around these issues as it will also aim to developing mechanisms to aggregate feedback from such meetings—looping it back to schools, DEOs, and the MEST (as necessary) for further action. An indicator on community collaboration is incorporated in the RF. As part of the school grants activity design, schools are required to display information on grant receipts and utilization in a public place on school premises. In addition, under the parent project efforts are underway to further strengthen information dissemination through an online PBF dashboard and by sending free SMS on grant receipts and utilization to SMCs and community members.

The proposed AF would not lead to land acquisition or restrictions of access to resources or livelihoods, hence OP 4.12 (Involuntary Resettlement) is not triggered. Therefore, there are no changes to safeguards in this regard.

Environmental Analysis

Explanation:
The AF will retain the Category B classification. The AF triggers OP/BP 4.01 (Environmental Safeguards) based on the potential that school grants may involve minor construction or rehabilitation. The environmental impacts are expected to be localized and small scale. The Environmental and Social Management Framework (ESMF) developed for the original project has been updated and disclosed in the Infoshop on May 12, 2017 and in country on May 30, 2017, and will be used for the proposed AF. School management will be provided with and trained on Environmental Guidelines, which will identify key environmental issues that can emerge during works and corresponding mitigation measures based on the ESMF. The training will also cover environmental safeguards monitoring and implementation concerns. Under the proposed AF, a budget will be added to Subcomponent 1.1 to facilitate ESMF implementation.

Fiduciary Assessment

Fiduciary assessments were undertaken to determine the adequacy of existing arrangements under the AF. It was determined that the REDiSL Secretariat maintains adequate FM arrangements necessary to ensure that proceeds are used for the purposes intended during AF and the FM risk rating remains moderate. While the procurement risk rating remains Substantial, with proposed migration measures this risk is reduced to Moderate. The assessment also determined that the parent project has maintained adequate procurement arrangements, which can be satisfactorily replicated under the proposed AF.

Risk

Explanation:

The overall risk rating proposed for the operation is Substantial.

The rating for Political and Governance Risk is Substantial, given the difficult political environment and uncertainties related to implementing this activity at a local level given the fragile context and upcoming presidential elections. Macroeconomic risk is also assessed to be Substantial because of the present fragile macroeconomic recovery and fiscal austerity context. Risks related to Technical Design of Project or Program are assessed as Moderate given that the proposed AF would scale up current interventions, there is a sound basis for the formulation of these interventions, and there is strong alignment between proposed AF interventions and the systems, processes, and capabilities in the MEST.³³ However, this is the first time PBF is being tried out in Sierra Leone and not enough time has passed to assess the full effects of the program; hence, although the PBF scheme has been radically simplified to align with the capacity and systems in place, there are some risks related to its overall effectiveness. The nature of activities supported by the proposed AF warrants a risk rating of Low for Safeguards aspects.

The risk related to Institutional Capacity for Implementation and Sustainability is assessed as Substantial. While the proposed AF will be mainstreamed in the MEST, the MEST continues to experience significant challenges in recruiting and retaining staff. According to the Human Resources Management Office of MEST, there are 656 positions at the MEST but only 210 are currently filled. With staff of pensionable age retiring annually and new staff not being recruited, this has led to a situation in which whole units and divisions have disappeared. Moreover, current staff of the MEST are overburdened with multiple responsibilities outside their mandate, which poses a risk to effective project implementation. The risk that domestic financing will not be able to cover the cost of school grants following the closing of the proposed AF is substantial in light of the fiscal constraints currently facing the Government. However, the Government is implementing reforms to improve domestic revenue collection, which will increase the resources available to the sector in the medium to long term. In addition, efforts have been undertaken to simplify the implementation of the school grants activity, and align the disbursement cycle of school grants and the methodology for calculation of the base grant with the disbursement cycle and methodology for calculating Government fee subsidies; this would make it easier to integrate the provision of performance-based school grants with the government fee subsidies program. In addition, delays in TSC functionality will affect the implementation of AF support for execution of the TSC mandate.

Fiduciary risks are also rated Substantial as a result of weak governance and limited capacity in FM. Schools in particular have weak capacities to plan for and manage school grants, though this will be strengthened under the AF, including a stronger emphasis on transparency and accountability. The shift supported by this AF toward stepping up involvement of communities in school functioning will need to be carefully monitored to ensure success; hence, Stakeholder risk is assessed as Moderate.

V. World Bank Grievance Redress

36. Communities and individuals who believe that they are adversely affected by a World Bank 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

³³ During the course of the parent project, the PBF design was simplified which has expedited implementation.

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: Revised Results Framework

Project Development Objectives							
Original Project Development Objective - Parent:							
The PDO is to improve the learning environment in targeted schools and establish systems for monitoring of education interventions and outcomes.							
Proposed Project Development Objective - Additional Financing (AF): No change							
Results							
Core sector indicators are considered: Yes				Results reporting level: Project Level			
Project Development Objective Indicators							
Status	Indicator Name	Corporate	Unit of Measure		Baseline	Actual(Current)	End Target
No Change	Direct project beneficiaries	<input type="checkbox"/>	Number	Value	0.00	1,230,761.00	1,230,761.00
				Date	13-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			
No Change	Female beneficiaries	<input type="checkbox"/>	Percentage	Value	0.00	49.00	50.00
			Subtype				
			Supplemental				
New	Direct project beneficiaries (under AF)	<input type="checkbox"/>	Number	Value	0.00		500,000.00
				Date	15-Sep-2017		31-Dec-2019
				Comment			
New	Female beneficiaries (under AF)	<input type="checkbox"/>	Percentage	Value	0.00		50.00
			Subtype				
			Supplemental				
No Change	Percentage of schools that meet 60% of performance targets	<input type="checkbox"/>	Percentage	Value	0.00	44.00	85.00
				Date	13-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			
New			Percentage	Value	0.00		85.00

	Percentage of schools that meet 60% of performance targets (under AF)	<input type="checkbox"/>		Date	15-Sep-2017		31-Dec-2019
				Comment			This indicator will capture schools whose grants are financed by the AF.
New	Percentage of payroll teachers who are teaching in schools where they have been authorized to teach (under AF)	<input type="checkbox"/>	Percentage	Value	62.00		75.00
				Date	16-Feb-2017		31-Dec-2019
				Comment	Baseline value is based on findings from the pilot payroll cleaning exercise in two districts. The baseline value will be updated once national level results are available in fall of 2017.		
No Change	TSC policy and guidelines for teacher management in use	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	13-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			
No Change	% of trained teachers using improved reading methods	<input type="checkbox"/>	Percentage	Value	0.00	0.00	70.00
				Date	20-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			
No Change	Number of donors working with ministry through coordinating unit	<input type="checkbox"/>	Number	Value	1.00	7.00	5.00
				Date	15-Jul-2014	16-Feb-2017	29-Dec-2017
				Comment			
No Change	Number of schools reopened		Number	Value	0.00	8,100.00	8,100.00

		<input type="checkbox"/>		Date	08-Dec-2014	16-Feb-2017	29-Dec-2017
				Comment			
Intermediate Results Indicators							
Status	Indicator Name	Corporate	Unit of Measure		Baseline	Actual(Current)	End Target
No Change	Number of primary schools implementing grants through the project	<input type="checkbox"/>	Number	Value	0.00	600.00	960.00
				Date	13-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			
New	Number of primary schools implementing grants through the AF	<input type="checkbox"/>	Number	Value	0.00		1,500.00
				Date	15-Sep-2017		31-Dec-2019
				Comment			
New	TSC policy and guidelines for teacher management in use (under AF)	<input type="checkbox"/>	Yes/No	Value	No		Yes
				Date	15-Sep-2017		31-Dec-2019
				Comment			
New	Number of community level meetings recording feedback on performance-based school grants (under AF)	<input type="checkbox"/>	Number	Value	0.00		1,000.00
				Date	15-Sep-2017		31-Dec-2019
				Comment			
New	Number of school censuses conducted by the MEST (under AF)	<input type="checkbox"/>	Number	Value	0.00		1.00
				Date	15-Sep-2017		31-Dec-2019
				Comment			
No Change	Number of preprimary schools established under the project	<input type="checkbox"/>	Number	Value	0.00	50.00	50.00
				Date	13-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			
No Change	% of targeted schools that received reading books through the project	<input type="checkbox"/>	Percentage	Value	0.00	0.00	100.00
				Date	13-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			

No Change	Number of trained teachers under the project	<input type="checkbox"/>	Number	Value	0.00	0.00	4500.00
				Date	13-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			
No Change	Organogram of the TSC approved	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
				Date	13-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			
No Change	Guidelines for licensing and registration of teachers developed	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	13-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			
No Change	Transfer of teacher records from MEST to TSC	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	13-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			
No Change	Learning assessment implemented	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	13-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			
No Change	Report on ESP	<input type="checkbox"/>	Yes/No	Value	Yes	Yes	Yes
				Date	13-Nov-2013	16-Feb-2017	29-Dec-2017
				Comment			
No Change	Number of schools disinfected	<input type="checkbox"/>	Number	Value	0.00	5,970.00	5,970.00
				Date	08-Dec-2014	16-Feb-2017	29-Dec-2017
				Comment			
No Change	Number of schools receiving hand-washing stations and supplies	<input type="checkbox"/>	Number	Value	0.00	5,970.00	5,970.00
				Date	08-Dec-2014	16-Feb-2017	29-Dec-2017
				Comment			
No Change	House-to-house assessment report completed	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
				Date	08-Dec-2014	16-Feb-2017	29-Dec-2017

				Comment			
No Change	Number of hours of radio programs broadcasted	<input type="checkbox"/>	Hours	Value	0.00	600.00	600.00
				Date	08-Dec-2014	16-Feb-2017	29-Dec-2017
				Comment			
No Change	Report of radio station validation completed	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
				Date	08-Dec-2014	15-May-2016	29-Dec-2017
				Comment			
No Change	Number of hand washing stations procured and distributed to schools	<input type="checkbox"/>	Number	Value	0.00	36,000.00	36,000.00
				Date	18-Feb-2015	16-Feb-2017	29-Dec-2017
				Comment			
No Change	Number of districts benefitting from the social mobilization campaign	<input type="checkbox"/>	Number	Value	0.00	14.00	14.00
				Date	03-Apr-2015	16-Feb-2017	29-Dec-2017
				Comment			

Annex 2: Description of Activities to be Supported under the Additional Financing

1. The proposed AF aims to provide support to scale up and strengthen key efforts which have been supported under the REDiSL parent project. Under this AF, support will be provided for select activities across three major components, which are also in the REDiSL parent project: (a) improving the learning environment and opportunities in targeted areas; (b) strengthening education service delivery; and (c) project management and supervision. The activities to be supported by the proposed AF are described in the following sections. The proposed AF is expected to be effective by September 2017 and close on December 31, 2019. All activities planned under the REDiSL parent project will be continued as planned and will end on or before the closing of the parent project of December 31, 2017.

Component 1: Improving Learning Environment and Opportunities in Targeted Areas (Current allocation (GPE): US\$14.9 million; Total allocation with proposed AF (IDA): US\$24.4 million)

2. Under Component 1, the proposed AF will provide support to activities under Subcomponents 1.1 and 1.4 as described in the following paragraphs.

3. **Subcomponent 1.1: Performance-based school grants (Current allocation (GPE): US\$5.1 million; revised allocation with proposed AF (IDA): US\$14.0 million).** The proposed AF would finance (a) provision of performance-based school grants to (i) the originally targeted 1,350 schools in the four LCs for an additional five rounds; (ii) 500 primary and junior secondary schools in two new LCs for six rounds; and (iii) selected preprimary schools/classrooms where teachers that were trained under the parent project have adopted the play-based pedagogical approach. Under this subcomponent, the AF will also support (b) additional capacity building of school management on school grants implementation and monitoring; and (c) increased information dissemination, experience sharing, and community engagement on school performance and grant management. In addition, funding will be provided for (d) additional M&E and (e) incremental operational costs.

(a) Provision of Performance-based School Grants

4. Like the parent project, the objective of the school grants under the proposed AF is to target resources to primary and junior secondary schools in selected lower-income communities to encourage efforts at school level to improve the teaching and learning environment, and reduce the cost of schooling. Under the AF, school grants will be provided to the originally targeted 1,350 schools in four LCs (Pujehun, Tonkolili, Kambia, and Kenema) that have been receiving such grants under the parent project for an additional five rounds, after the closing date of the parent project. In addition, PBF will be expanded to 500 schools in two additional LCs for six rounds and to selected preprimary schools/classrooms where the teachers that were trained under the parent project have adopted the play-based pedagogical approach.

Selection Criteria

5. The proposed criteria for selection of two additional LCs and the 500 new schools is described in the following sections and will be finalized before AF effectiveness (and reflected in the updated PIM). The selection of preprimary schools/classrooms will be determined on the basis of whether the preprimary school/classroom benefitted from ECCE training under the parent project and whether teachers from those schools were endorsed as having demonstrated change in pedagogical practice.

6. **Selection of additional LCs.** To identify the additional LCs to be targeted under the AF, it is proposed that all LCs will be ranked on a range of education and poverty indicators; the same indicators used under the parent project are proposed to be applied with some modifications (see table 2.1), with indicator values updated according to the latest available data sources. The two LCs that fare the worst on these indicators (and are not yet benefitting from the school grants activity) are proposed to be targeted for expansion of this activity under the AF. The selection indicators and the names of additional LCs for PBF expansion will be finalized before effectiveness and reflected in the PIM.

Table 2.1. Indicators Used for Targeting LCs to Be Supported Under the AF

Original Indicators	Proposed Revised Indicators
% of population below poverty line	% of population below poverty line
Net primary enrollment	Net primary enrollment
% of out-of-school children	% of out-of-school children
Gross Primary enrollment ratio	Excluded
Grade 1 net intake ratio	Grade 1 net intake ratio
% of primary repeaters	% of primary repeaters
Class size	Class size
% of schools that require repair	Replaced with “Quality of school infrastructure index”, defined as % of schools without toilets % of schools without water source % of permanent classrooms in need of repair % of classroom furniture broken or in need of repair % of make-shift classroom structures
Student teacher ratio	Student teacher ratio
% of unqualified teachers	% of unqualified teachers
% of untrained teachers	Excluded
	Added % of public school teachers not on payroll

7. **Selection of schools in the additional LCs.** A three-step selection process is proposed to be followed to select the 500 primary and junior secondary schools from the two newly targeted LCs (under the proposed AF), as described in the following paragraphs.

- (a) **Step 1: Identification of eligible schools.** The following categories of schools are proposed as eligible for selection for receiving performance-based school grants under the AF: (i) all Government and Government-assisted schools that have been covered by the ASC in 2015, 2016, and 2017 and (ii) all other ‘viable’³⁴ community schools not receiving Government assistance. The eligibility criteria will be finalized before AF effectiveness and reflected in the updated PIM. The list of eligible schools will be vetted by District Education Office (DEO) staff to omit schools from the list which (based on their expert opinion) are not suitable.
- (b) **Step 2: Determination of the number of schools to receive school-based grants by LC and level.** It is proposed that the number of primary and junior secondary schools to be selected from each of the two LCs be based on the share of primary

³⁴ A proposed definition of a viable community school is as follows: (a) the school has been covered by the ASC in 2015, 2016, and 2017; (b) it has had non-zero enrollment in 2015, 2016, and 2017; (c) it has offered the full complement of grades in 2015, 2016, and 2017; (d) it has had at least two teachers in 2015, 2016, and 2017; (e) it has at least two solid or semisolid classrooms; (f) it has an SMC; and (g) it was established in or before 2011. The definition of ‘viable’ community schools will be finalized before effectiveness and elaborated in the updated PIM.

and junior secondary schools out of all such schools in the two LCs.³⁵ The distribution of 500 new schools eligible to receive school grants by school level and LC will be finalized before AF effectiveness and reflected in the updated PIM.

- (c) **Step 3: Prioritization of schools.** For each LC and school level, it is proposed that among the list of eligible schools, schools that are most disadvantaged be prioritized.³⁶ The indicators for prioritization of schools and the list of schools to benefit from PBF expansion will be finalized before AF effectiveness and included in the updated PIM. If the eligible schools in the two new LCs total less than 500, the remaining schools (to reach a total of 500) may be added from the existing four LCs (or the next most disadvantaged LC based on indicators listed in table 2.1).

Design of Performance-based School Grants

8. During the course of implementation of the parent project, the design of the performance-based school grants was simplified, as the original design was too complex to operationalize (see box 2.1 for background on the simplification). The simplifications were designed to ease implementation; reduce administrative costs and effort; speed up disbursements; and strengthen alignment/integration with existing systems, policies, and processes in the MEST to ensure sustainability. The simplifications were first validated through discussions with head teachers, DEO staff, and Local Council Education Committee, before being endorsed by the MEST in December 2016.

Box 2.1. Background on Simplification of Performance-Based Schools Grants (PBF) Design

The original design had four components: (a) a subsidy for access and retention (base grant) - with a differential subsidy rate by grade and gender; (b) a quality bonus (maximum of 75 percent of the base grant), based on verification of 41 indicators by independent verifiers (maximum of 30 percent) and evaluation by inspectors using their standard tool (maximum 45 percent); (c) community satisfaction bonus (maximum of 25 percent of the base grant), based on parent satisfaction sample surveys by trained local community-based organizations; and (d) equity bonus, which is a maximum of 40 percent of the sum of (a), (b), and (c) above, to schools in a disadvantaged situation. Data collection and payment to schools was to be undertaken four times a year. In April 2016, a batch of 600 schools were trained and received the first round of school grants under the original model in June 2016.

In August 2016, during the MTR of the parent project, the Government expressed concerns about the adequacy and feasibility of implementing the original design. The key challenges were as follows: (a) several of the indicators were difficult to verify; (b) verification would have been very time consuming and expensive; (c) likelihood of significant disbursement delays; (d) the incentive structure could have exacerbated inequalities between schools; and (e) the MEST did not have the capacity or manpower to undertake internal verification. Since the use of the original approach posed a risk to effective implementation, the MTR recommended the design be simplified to make implementation feasible.

The scope of revisions was limited to fine-tuning and simplifying the design while keeping intact the core conceptual framework/approach, which had been agreed by the Government and on which schools had already been trained. Simplifications were, therefore, along the lines of indicator selection, definition of performance achievement, structuring of payoffs, continued eligibility conditions, compliance requirements and penalties, role of independent verification, and rules for grant utilization.

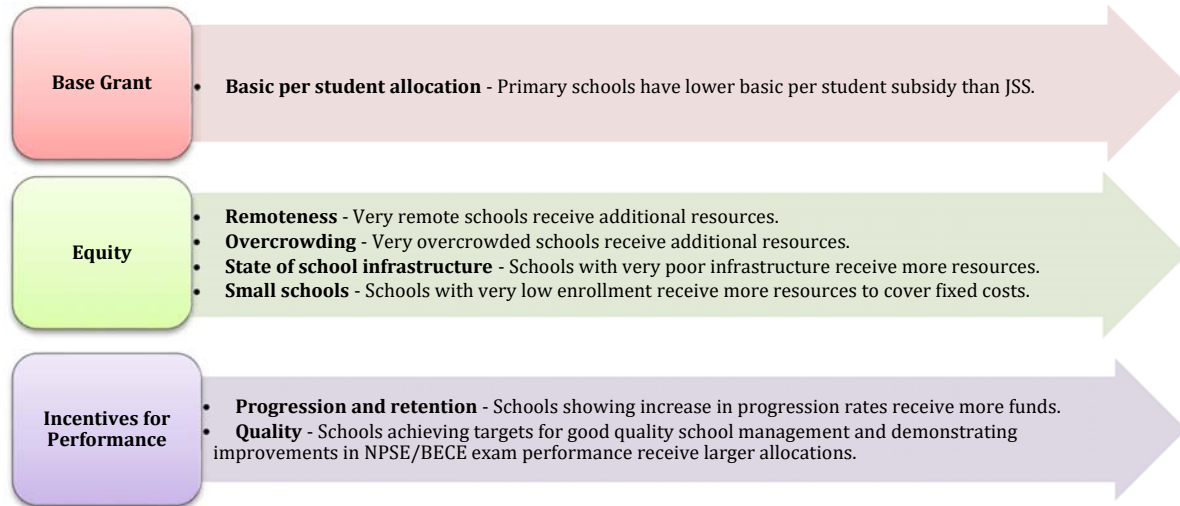
³⁵ For example, to determine number of primary schools to receive in LC 1, the following formula will apply:

$$\text{Number of PBF primary schools in LC1} = 500 * \frac{\text{\# of primary schools in LC 1}}{\text{\# of primary and JSS schools in the two LCs}}$$

³⁶ That is, eligible schools are ranked based on their level of need (from most to least disadvantaged), based on a deprivation index comprising poverty, enrollment, quality of school infrastructure, class size, share of unqualified teachers, share of teachers not on payroll, and so on.

9. A description of the simplified design which is currently applied under the parent project, and which will also apply to the proposed AF, is given in figure 2.1.³⁷ A modified version of the model will be applied to the preprimary schools/classrooms eligible to benefit from school grants.

Figure 2.1. Components/Elements of Performance-based School Grants



A. Base Grant

10. **Indicators.** Schools receive a base grant every term based on enrollment in that term.
11. **Grant size.** Primary schools receive SLL 9,000 (US\$1.20) per student per term, while junior secondary schools receive SLL 18,000 (US\$2.40) per student per term.
12. **Data source.** This includes the ASC and the Situation Room.
13. **Frequency of payment.** Schools are paid the base grant every term, in line with the fee subsidy disbursement cycle. In the future, if the program is taken up, school grants can be easily combined with a fee subsidy for a consolidated/harmonized school grants regime.

B. Equity Grant

14. **Indicators.** Schools are eligible for the supplemental equity (that is, need based) grant if they meet any of the following criteria: the school (a) is remote; (b) is small (<60 students) or overcrowded (>60 students per classroom); and/or (c) has poor infrastructure, defined as schools in the bottom 40 percent of the composite infrastructure quality score distribution.³⁸
15. **Grant size.** A school can receive up to 100 percent of the base grant in the term as supplemental equity grant. The size of the grant is based on which of the three criteria

³⁷ It must be noted that since this is a pilot exercise, (minor) iterations and fine-tuning will be done during implementation based on emerging lessons and experiences.

³⁸ The composite infrastructure quality score comprises five indicators: (a) availability of water source in good condition; (b) availability of latrines in good condition; (c) share of classrooms in good condition; (d) share of solid and semisolid classrooms in total classrooms; and (e) share of classroom furniture (for students) in good condition.

(described above) the school satisfies. Each criterion carries a different weight, which will determine the size of the equity allocation.³⁹

16. **Data source.** The data source is the ASC.

17. **Frequency of payment.** The school will receive the equity grant every term (there are a total of three terms a year) together with the base grant. The school list will only be updated annually in a given academic year. A school that receives an equity grant in Term 1 also receives it in Term 2 and Term 3.

18. **Continued eligibility.** For schools that are eligible for the overcrowding and/or poor infrastructure elements of the equity grant in two consecutive years and are still eligible in the third year, their continued eligibility in the third year will be based on having demonstrated any improvement in indicators of overcrowding and/or infrastructure quality since the baseline.

C. Incentives for Performance

C.1: Progression and Retention

19. **Indicators.** This includes an increase in the grade transition rate in the current academic year versus the last year.⁴⁰

20. **Grant size.** The size of the school grant is based on the size of improvement in the grade transition rates. Improvements in transition rates in higher grades will be rewarded more, recognizing the additional effort it takes to retain an additional child at higher versus lower grades. At the JSS level where gender parity in enrollment emerges as an issue, progression and retention of female students is rewarded more than that of male students. A school can receive up to a maximum of 100 percent of the base grant in the term if the increase in transition rates across all grades is equal to or more than 5 percent. Schools that demonstrate improvements but of a lesser magnitude will still receive a performance grant, albeit of a lower amount.

21. **Data source.** The data source is the ASC.

22. **Frequency of payment.** This performance-based school grant will be paid once a year in Term 3 together with the base grant and equity allocation for that term.

C.2: Quality

C.2.1: Quality - Quality of School Management

23. **Indicators.** A well-managed school is defined along five dimensions: (a) student attendance rate (target: 90 percent); (b) teachers' attendance rate (target: 90 percent); (c) staff

³⁹ Based on current implementation, less than 2 percent of schools are eligible to receive the maximum grant, and only around 10 percent of schools meet any two of the three criteria. Schools that have received the supplemental equity grant are receiving on average US\$0.60 per primary student and US\$1.08 per JSS student.

⁴⁰ For example, increase in Transition Rate in grade 2 in 2017 = Transition Rate in grade 2 in 2017 – Transition Rate in grade 2 in 2016, whereby Transition Rate in grade 2 in 2017 = (Total enrolled in grade 2 in 2017 – Repeaters in grade 2 in 2017) / Total enrolled in grade 1 in 2016; and Transition Rate in grade 2 in 2016 = (Total enrolled in grade 2 in 2016 – Repeaters in grade 2 in 2016) / Total enrolled in grade 1 in 2015.

meeting held (target: once per month); (d) SMC meeting held (target: once per term); and (e) percentage of classrooms with teachers engaged in teaching activities (target: 100 percent).

24. **Grant size.** The size of the school grant is based on which of the five targets are met. A school can receive up to 100 percent of the base grant in the term if it meets all the school management quality targets.

25. **Data source.** The Situation Room already collects data on student and teacher attendance every month. A PBF platform will be added to RAPIDPRO to enable collection of data on additional indicators by community monitors during their school visits.⁴¹ However, in the first round, the independent verification firm will collect the data on the five indicators.

26. **Frequency of payment.** This performance-based school grant will be paid once a year in Term 2 along with the base grant and equity allocation for that term. The first payment against this component will be based on a one-time observation. Subsequent payments will be based on averaging of indicator values over the previous 12 months.

C.2.2: Quality - Performance in examinations

27. **Rationale.** While all other metrics of performance thus far have their roots in the original model, this one is new. There are three main reasons why this component is introduced. First, the indicators of quality in the original model are a combination of input and intermediate indicators to build a conducive learning environment—that is, they are ‘gateway’ indicators that are assumed to lead to improved access and learning outcomes. In the simplified model, this component aims to pay schools directly for improvements in learning, rather than for the myriad in-between steps that are assumed to lead to this desired outcome. Second, each school faces a different set of constraints to improving learning, which we cannot presume to know. Third, tying a portion of the school grant to exam performance aligns well with the MEST’s policy—in November 2016, the MEST issued Performance Analysis Regulations and

Box 2.2. Performance Analysis Regulations and Guidelines

In November 2016, the MEST launched school league tables (based on performance on the NPSE, BECE, and WASSCE) and issued Performance Analysis Regulations and Guidelines.

According to the Guidelines, schools with pass rates of 90 percent to 100 percent will receive a ‘gold star’, schools with pass rates of 70 percent to 89 percent will receive a ‘silver star’, schools with pass rates of 55 percent to 69 percent will receive a ‘bronze star’, and schools with pass rates of 50 percent to 54 percent will be acknowledged. Schools with pass rates of 35 percent to 49 percent will be cautioned and receive a ‘turquoise warning’, schools with pass rates of 20 percent to 34 percent will receive a strong caution and a ‘purple warning’, and schools with pass rates of 0 percent to 19 percent will be regarded as endangered schools. They will receive an extra strong caution, a ‘brown warning’ and will be visited with a view to determining their fitness to continue as schools.

Heads of schools, proprietors, DEOs, LCs, and traditional leaders are to ensure that every school with a pass rate below 20 percent makes a minimum of 7 percent improvement in performance in the next examination. Heads of government and assisted schools failing to make the 7 percent improvement will be visited and replaced if efforts made to improve performance are found unsatisfactory. For schools with pass rates above 19 percent but below 50 percent, the minimum improvement expected is 5 percent. For schools with pass rates above 49 percent but below 75 percent, the minimum improvement in performance expected is 3 percent. Schools with pass rates of 75 percent and above are expected to maintain their performance as a minimum.

⁴¹ This will also include support to ensure that the Situation Room data from the six PBF LCs can be integrated with the ASC and training and incentives (top-up) for community monitors in the six PBF LCs.

Guidelines (box 2.2Error! Reference source not found.),⁴² whereby schools are banded/ranked based on pass rates on the National Primary School Examination (NPSE), Basic Education Certificate Examination (BECE), and WASSCE and assigned performance targets.

28. **Indicators.** Three indicators will be used to measure improvements in the NPSE/BECE performance: (a) increase in pass rate over last year; (b) increase in average raw score over last year;⁴³ and (c) proportion of students in Primary 6 and JSS 3 who took the NPSE and BECE, respectively. The indicators are chosen to minimize manipulation by schools by focusing on fewer students or only letting ‘smart’ kids take the exam. The weights assigned to the indicators differ based on school ranking/banding (as described above) by the MEST. This is because schools with high pass rates have less room to improve pass rates but have ample scope to improve the average score (which tend to be low even when pass rates are high).

29. **Grant size.** The size of the grant is based on the size of improvement and the indicators where improvements are realized. A school can receive a maximum of 100 percent of the base grant in the term if it meets the pass rate increase target set by the MEST; improves average scores by five points; and has at least 95 percent of students in Primary 6 and JSS 3 sit for the NPSE and BECE, respectively. Schools that demonstrate improvements but of a lesser magnitude will still receive a performance-based school grant, albeit of a lower amount. For schools that exceed pass rate increase targets set by the MEST, an additional ‘premium bonus’ will be given, equivalent to 15,000 Leones per student who passes the NPSE, 20,000 Leones per male student who passes the BECE, and 30,000 Leones per female student who passes the BECE. The same ‘premium bonus’ applies if the school increases the average raw score by more than five points.

30. **Data source.** The data source is the West African Examination Council (WAEC) (which sets, administers, and scores these exams).

31. **Frequency of payment.** This performance-based school grant will be paid once a year in Term 1 of the next school year, that is, for exams conducted at the end of the school year (Term 3), payment will be made in Term 1 of the following school year.

32. **Condition for maintaining eligibility to receive school grant funding.** A key concern is that paying for improved performance in the NPSE/BECE will take attention away from teaching and learning activities in untested grades. To safeguard against such a scenario, a condition for maintaining eligibility to receive school grant funding is introduced related to testing a random sample of two (or three) grades after every two years in all the schools who have been receiving school grants.⁴⁴ The quality assurance test (QAT) will be a short test (20–25 minutes per subject) to test knowledge and comprehension in three core subjects (mathematics, language, science) based on the syllabi and textbooks used in schools, and it will be administered on a surprise visit to the schools.⁴⁵ The test papers will be given to administrators in sealed envelopes; neither the school nor the test administrator would know which two (or three) grades in the school will be given the QAT until the sealed envelopes are

⁴² Tellingly, the dissemination events to launch the league table and guidelines are titled “school level external examinations performance analysis as a measure of classroom learning and quality of schooling.”

⁴³ This excludes the continuous assessment score.

⁴⁴ This draws from the successful Foundation-assisted Schools model in Pakistan.

⁴⁵ Different versions of the test papers will be developed so testing can take place over a number of days without fear of test questions being leaked by those who already took the test.

opened in the presence of the head teacher and teachers, when the test administrator arrives in the school. The QAT will be administered by a third-party firm.

33. **Continued eligibility will be based on at least 67 percent (two-thirds) of students tested achieving 40 percent or higher on the QAT.** Schools that do not meet the threshold will be given one year to improve, and will be administered the QAT again one year later. If the school still does not meet the threshold, it will be disqualified from the school grants program.

34. Some advantages of the proposed QAT approach are the following: (a) it incentivizes teaching and learning across all grades; (b) administering the QAT after 2+ years gives sufficient time to plan and implement the QAT (while administering the QAT every year will be difficult to implement for the Government and costly); and (c) schools are given sufficient time to improve teaching and learning, especially helping remediate gaps in skills among pupils originating from poor learning in previous grades. One drawback of this approach is that schools may become complacent and only start thinking about student achievement in the year the QAT is to be administered since it is not administered every year.

35. If resources permit, the project will consider a ‘tournament’, whereby, every year, top-performing schools from the same area receive prizes in a public ceremony.

36. **Requirements and penalties.** Schools targeted to receive performance-based school grants will be required to (a) develop a school improvement plan (SIP); (b) maintain student, teacher, and financial records on grant utilization; and (c) display information on grant receipt and utilization in a visible public place on school premises. Schools will be subject to penalties in case of noncompliance with these requirements (and eventual disqualification if noncompliance is not rectified after two warnings).

Fund Flow and Use of Fund

37. Payment to schools is made on a term basis (that is, three tranches per school year). At the end of each term, the school grants team/unit, under the leadership of the Director, Policy and Planning, will consolidate data from the various applicable sources (for example, ASC, Situation Room and/or the WAEC); calculate school grant payments based on achievement against PBF indicators; and prepare payment advice. The information will also be submitted to deputy directors in districts for feedback. The payment advice is cleared by the Director, Policy and Planning, and submitted to the FM specialist in the REDiSL Secretariat for review. After the FM specialist has reviewed and cleared the payment advice, it is sent to World Bank for no-objection. After the World Bank provides its no-objection, the funds are transferred directly from the DA into school bank accounts.⁴⁶ In terms of timeline, funds for each term will be paid within six weeks from the last day of the term.⁴⁷ Instead of opening new bank accounts for school grants, the school grants will be deposited in the fee subsidy accounts of the schools. The authenticity of the school accounts (and the signatories) where the PBF funds will be deposited will be validated.

⁴⁶ The schools do not maintain a separate bank account for school grants (as the Government was not in favor of proliferation of bank accounts). Instead, funds are transferred to the school bank account where the school also receives other transfers from the Government (for example, fee subsidies).

⁴⁷ The project team is trying to work out an agreement with the commercial banks where the school bank accounts are located for streamlined and timely reporting on when funds are disbursed into school bank accounts and withdrawn, according to the bank’s records.

38. School grant earnings are supposed to be used in a holistic manner considering all cash income of the school from all combined sources. Increased autonomy for the service providers (the schools) is a key component of the success of this activity. The underlying assumption of the school grants activity is that school teams are able to change outcomes with changed behaviour, limited additional resources, and the right motivation. The SMC statutorily has the prerogative of deciding on the allocation of the revenue. Any decisions taken on grant utilization have to be clearly indicated in the SIP and endorsed by SMCs. While the use of grants would not be tracked, there is a ‘negative list’ specifying that (a) all expenditures have to be in line with and captured in the SIP; (b) specific expenditure items cannot be funded from school grants (for example, construction of teacher residences and boarding/hostel facilities, salaries of teachers on payroll, lending, and so on); and (c) no more than 50 percent of the school grant amount can be used to finance stipends of teachers not on payroll, teacher performance bonus, and teacher training—the cap on performance bonus is 20 percent and must follow criteria and procedures outlined in the school grants manual.⁴⁸

Independent Validation

39. The simplified design of this activity recasts the role of the independent verification firm conceived in the original model. Instead of collecting data on performance indicators and calculating school grants/payments, the firm will take on a third-party validation role. The third-party validation exercise will be conducted on a sample basis (10 to 20 percent of schools) once a year.⁴⁹ The third-party validation will be an in-depth exercise, looking especially at compliance, FM, and fiduciary aspects, related to receipt of funds, utilization of school grants, management of those funds, assessing the adequacy of record keeping (especially financial records, accounts, receipts); the SIP to achieve results; and stakeholder participation and engagement. In addition, this exercise will assess the integrity, quality, and reliability of reported data, as well as compliance with the school grant activity requirements and procedures and so on. A special study topic may be added to the firm’s terms of reference (ToR) depending on information needs (for example, community survey). Validation findings do not affect grant payments to schools, except in the case when fraud and falsification of records is detected.

(b) Capacity Building of School Management on Grant Implementation and Monitoring

40. Under the parent project, school management (SMCs, Board of Governors [BOG]) received a three-day basic training on school grants/PBF implementation. However, PBF is a new concept and a one-time (center-based) training is not sufficient for schools to fully orientate themselves to the PBF ‘mind-set’ and build the necessary capacity to effectively manage school grants, and maximize the amount of grants receipts. Hence, it is proposed that under the AF, a more inclusive, intensive, and comprehensive (yet cost-effective) approach be considered⁵⁰ to help school management, teachers, parents, community representatives jointly (a) reflect on and diagnose constraints to achieving PBF targets in their schools; (b) strategize, prioritize, and cost context-specific strategies they can implement to resolve these constraints;

⁴⁸ If the school wishes to introduce teacher performance bonus, the teacher performance bonus will only be paid based on an individual staff member’s performance against at a minimum the three proposed criteria in the grants manual. The performance assessment of individuals will be done by the SMC, and the names of teachers receiving the performance bonus and the amount of bonus must be displayed in a visible place in the school. Schools must keep records of the performance assessment and its endorsement by the SMC.

⁴⁹ In the first year, the sample size for the annual third-party validation may be increased to 100 percent.

⁵⁰ One possible option is a coaching and mentoring model with PBF coaches/facilitators visiting schools in the assigned cluster and holding regular sessions/ meetings comprising head teachers, teachers, SMCs, BOGs, parents, other community members.

(c) develop SIPs based on the above; (d) monitor SIP implementation; and (e) understand and execute their roles and responsibilities to ensure successful grant implementation. Further, hands-on training and coaching (including relevant tools) will also be provided to school management on SIP formulation and monitoring, procurement management and reporting, records management, FM and reporting, safeguards guidelines, implementation and reporting, and strengthening community links. District education staff, members of the district-level PBF technical committees and LC education committees will also be sensitized on the school grants activity/PBF. The training will also cover checklists/tools that they can use to monitor the implementation of this school grants activity in targeted (eligible) schools. The service delivery model will be finalized before AF effectiveness and reflected in the updated PIM.

(c) Information Dissemination, Experience Sharing, and Community Engagement

41. The proposed AF will also strengthen information dissemination and experience sharing around implementation of the school grants using various modalities, including online dashboard, school-level PBF report cards, SMS, facilitated school-community meetings, experience sharing seminars with head teachers of eligible schools, and community radio.

42. The proposed AF will intensify efforts to engage communities in school planning and grant implementation and monitoring to enhance accountability over school performance and use of funds.⁵¹ This entails (a) organizing and facilitating meetings between communities and schools to discuss school performance and grant utilization and management twice per term to strengthen community engagement and accountability around this activity; (b) linking up with CBOs, Village Development Committees, or similar community structures to get their participation and involvement in holding schools to account for performance and grant utilization; and (c) finalizing the service delivery model before AF effectiveness (this would be reflected in the updated PIM).

(d) Monitoring and Evaluation

43. While an IE is not feasible, annual sample-based school-level surveys (comprising student assessments, SMC, teacher and head teacher interviews, and classroom observations) will be conducted to track trends in teaching and instruction, school practices, and learning outcomes. As described earlier, an annual third-party validation will also be carried out to assess use of funds, compliance with requirements of the performance-based school grants activity, and adequacy and accuracy of records. This will allow the project to measure and observe changes on a variety of input, process and outcome indicators in addition to those indicators tied to performance payments.

44. **Implementation risks and mitigating strategies.** The simplification of the design of the performance-based school grants activity was useful in addressing a number of emerging risks related to (a) timeliness of disbursement, by ensuring that payment cycle is in sync with the MEST's data collection and production cycle; (b) timeliness and cost-efficiency of data collection, by selecting indicators which are or can be feasibly collected via administrative data systems; (c) motivation of low-performing schools to demonstrate performance, by redefining performance on select indicators in terms of 'gains' and not 'levels'; (d) strategic manipulation

⁵¹ If the coaching and facilitation model referenced in the footnote above is followed, the PBF coaches/facilitators can also facilitate community engagement. In addition, the facilitators/coaches will also identify and mentor a 'champion' from the local area who will initially support the facilitator/coach and then gradually take on facilitation of community engagement (the role of the facilitator/coach will be scaled down over time).

and gaming by schools, through strategic selection and costing of performance targets, such that gaming on one dimension leads to losses in other dimensions;⁵² and (e) penalties for falsification and fraud. There still remain substantial risks to effective implementation. A summary of these risks and related mitigating strategies are provided in table 2.2.

Table 2.2. Risks and Mitigating Strategies

Risks	Recommended Mitigation Strategies
Lack of capacity or know-how to plan and implement effective strategies to improve performance	Provide training on PBF-oriented SIP development. Organize experience sharing with high performing schools.
Cheating in the WAEC exams	Strengthen invigilation and reporting (including spot-checks by the MEST, Anticorruption Commission, and civil society).
Schools focus attention on tested grades at the expense of untested grades	Any 2–3 grades per school will be administered a short QAT after every 2 years. Continued eligibility is based on 67 percent of students scoring at least 40 percent on this test.
Schools do not use grant funds for intended purposes	Require schools to (a) align spending with the SIP; (b) maintain financial records; and (c) display publicly information on grants utilization along with sanctions for noncompliance. Strengthen information dissemination on grants receipts and utilization. Facilitate community engagement/oversight on use of funds. Conduct annual third-party validation to assess grant utilization.
The Government may fail to institutionalize the school grant scheme with its domestic financing after the project is over	Currently, the fiscal situation is very fragile, and domestic resource mobilization remains very challenging. The Government is committed to implementing reforms to raise local revenue, which will also help make available more resources for the education sector in the medium to longer term. Meanwhile, the simplified PBF design is such that Government fee subsidies can be seamlessly integrated with it.

45. **Subcomponent 1.4: Improvements in teacher management (Current allocation (GPE): US\$1.9 million; revised allocation with proposed AF (IDA): US\$2.4 million).** The proposed AF will scale up TA and associated costs to the TSC to execute its functions in four statutory mandate areas of teacher registration and licensing, teacher management, teacher performance and development, and teacher-employer relations. More specifically, the AF will support the TSC with the following key activities: (a) developing a registration and licensing program for new teachers, in line with the policy guidelines on teacher registration and licensing supported under the parent project; (b) developing training modules and training materials for a head teacher/principal leadership program, which will form the basis of an induction program for head teachers/principals; (c) extending TA provided by a consultant (specialist in teacher management) to support the TSC in executing its teacher management functions (such as recruitment, deployment, promotion, payroll and records management, and so on); and (d) undertaking additional studies and other research (for example, a diagnostic assessment of teacher competencies and gap analysis) to inform future policies and programs for teacher management and development. In addition, the AF will also (e) continue to finance select operating costs of the TSC – the TSC operating costs to be covered by the AF will be spelled out and agreed in the updated PIM.⁵³

⁵² For example, if a school promotes more poor performing students from grade 5 to 6 just to get the grant tied to transition, it will lose out on the grant tied to exam performance. It is only if the school improves competencies of students in grade 5 so it can increase the numbers promoted to grade 6 will it be able to benefit from grants tied to transition and exam performance.

⁵³ The scope of the operating expenses financed by the AF will be based on available financing for the sub-component.

Component 2: Strengthening Education Service Delivery (Current allocation (GPE, MDTF): US\$2.9 million; Total allocation with proposed AF (IDA): US\$3.2 million)

46. The proposed AF will provide support to Subcomponent 2.2.

47. **Subcomponent 2.2: Establish robust consistent school data collection and analysis (Current allocation (GPE, MDTF): US\$0.8 million; revised allocation with proposed AF (IDA): US\$1.1 million).** The AF will play a pivotal role, financing the national rollout of the ASC in 2018 (preferably using ODK). In addition, support will also be provided to the MEST to reconfigure data supervision and management processes (when transitioning to ODK for data collection), as well as for data analysis, reporting, and dissemination.

Component 3: Project Management and Supervision (Current allocation (GPE): US\$1.1 million; Total allocation with proposed AF (IDA): US\$1.3 million)

48. The proposed AF will provide support to Subcomponent 3.1.

49. **Subcomponent 3.1: Project management and supervision (Current allocation (GPE): US\$0.95 million; revised allocation with proposed AF (IDA): US\$1.3 million).** Additional funding will be provided to project management and supervision under the proposed AF, specifically to cover costs related to staffing and operational costs of the REDiSL Secretariat associated with the implementation of the proposed AF activities, and commensurate with the scope of the AF-supported activities. While a consolidated PFMU is planned to be established within the MOFED—where key functions including FM, procurement, internal audit, and M&E for all World Bank projects will be consolidated—the parent project and proposed AF would retain the same FM, procurement, internal audit, and M&E procedures as detailed in the PAD of the parent project (and updated in annex 4 of this Project Paper) until December 31, 2017 (the closing date of the parent project) or when the PFMU is operational (whichever comes later). At that time, the relevant arrangements for the AF will be revisited and modified, if necessary, to align with the consolidated PFMU.

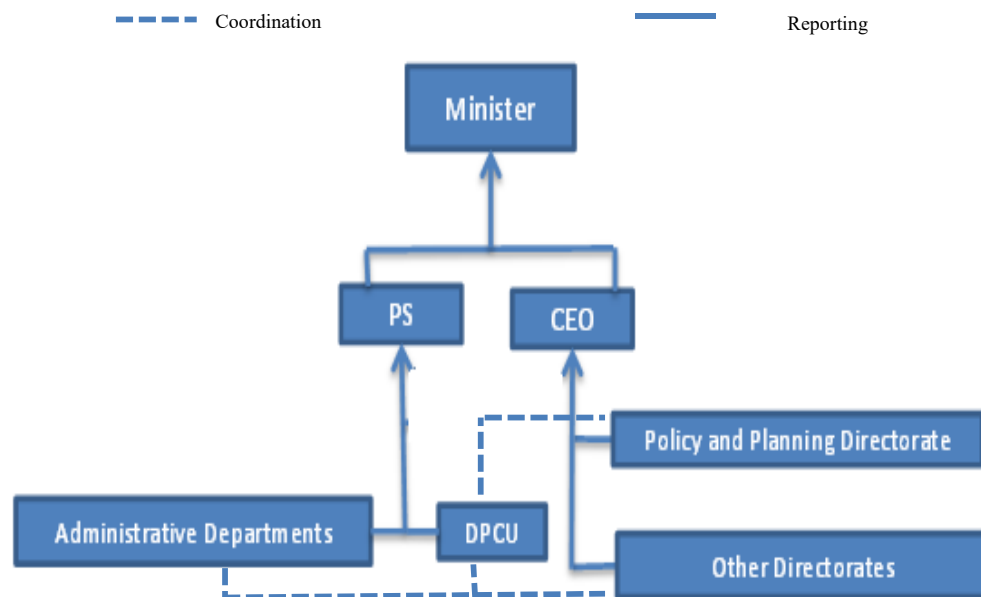
Annex 3: Revised Estimate of Project Costs

Component	Current Cost (US\$)	Changes with AF (US\$)	Revised Costs (US\$)
1. Improving the Learning Environment and Opportunities in Targeted Areas	14,930,997	9,430,000	24,360,997
2. Strengthening Education Service Delivery	2,888,800	320,000	3,208,800
3. Project Management and Supervision	1,095,003	250,000	1,345,003
4. Support the implementation of MEST Ebola Strategic Response Plan	2,400,000	0	2,400,000
TOTAL	21,314,800	10,000,000	31,314,800

Annex 4: Revised Implementation Arrangements

1. As under the parent project, overall responsibility for the REDiSL AF will lie with the MEST. Since teacher management functions are the mandate of the TSC according to the TSC Act 2011, the implementation of Subcomponent 1.4 will be undertaken by the TSC, and supported by the REDiSL Secretariat and the MEST (including the district-level structures of the MEST).
2. As under the parent project, the office of the Permanent Secretary (PS) will have responsibility for project management and oversight of the proposed AF. It will be responsible for overall administration, coordination, and M&E of project activities. The PS may delegate duties to the REDiSL Secretariat who will provide reports of project progress and make this available to the Minister and DPs.

Figure 4.1. Implementation Arrangements under the AF



Note: CEO = Chief Executive Officer; DPCU = Project Coordination Unit/REDiSL Secretariat.

3. The implementation arrangements by subcomponent relevant for the proposed AF are outlined in the following paragraphs.

Component 1: Improving the Learning Environment and Opportunities in Targeted Areas

Subcomponent 1.1: Performance-based school grants

4. Implementation of the school grants component will be led by the Directorate of Policy and Planning in the MEST. A school grants team/unit will be established under the leadership of the Director, Policy and Planning, to coordinate implementation of the school grants activity. This entails:

- Coordination with EMIS and Situation Room teams to collect and retrieve data collected through the ASC and RAPIDPRO;
- Coordination with DEOs to supervise and monitor implementation of this activity;

- Coordination with commercial banks (with support and guidance from FM specialist) in the REDiSL Secretariat to (a) authenticate/validate school bank accounts; and (b) track receipt and withdrawal of funds into school bank accounts;
- Coordination with the WAEC to retrieve (raw and scaled) examination scores by subject for candidates taking the NPSE and the BECE.

5. In addition to the above, the school grants team/unit under the leadership of the Director, Policy and Planning, and working in close association with DEOs will also be responsible for (a) recommending policy guidelines for the MEST's consideration; (b) calculating school grant amounts and preparation of payment advice; (c) managing consultant services of this activity on behalf of the MEST; (d) supervision of the activity's implementation; and (e) preparing frequent monitoring/supervision reports on the status of implementation of this activity. The school grants team/unit will also facilitate implementation of environmental safeguards and mitigation measures, where necessary, in association with head teachers, SMCs, and DEO staff.

6. At the district/local level, the DEO staff will be responsible for (a) monitoring activity implementation as part of their routine school inspections/visits; (b) interfacing with schools on activity implementation issues (including complaints management); (c) acting as information conduits between schools and the MEST Headquarters; and (d) verifying information on school characteristics and performance and so on. As and when necessary, the DEO staff will be supported by the district-level PBF Technical Committees in the execution of the aforementioned tasks.

7. The money for school grants will be disbursed to the relevant school bank accounts once payment advice is provided by the school grants team, reviewed by the REDiSL FM Specialist, and given a no-objection by the World Bank. Schools will have autonomy in planning and use of the resources so as to deliver on targets (barring items on the negative expenditure list). Planned use of resources must be agreed and endorsed by the SMCs and channeled through the SIP. Schools will be required to have an SIP, maintain student, teacher and financial records, and display information on grant receipt and utilization in a visible public place on school premises. Noncompliance with the requirements will be subject to penalties. Head teachers and SMCs will also be provided with guidelines and training on the key environmental issues that can emerge during works and corresponding mitigation measures and monitoring tools that they can apply during implementation.

8. An annual third-party review and validation will be conducted (on a sample basis) to assess adequacy of planning and use of resources, record keeping, and compliance with procedures and requirements of the performance-based school grants activity.

Subcomponent 1.4: Improvements in teacher management

9. Since the TSC has been established, responsibility for implementation of teacher management activities has been transferred to the MEST. As under the parent project, the REDiSL Secretariat will manage any procurements required for the TSC in consultation with the TSC Chair and relevant officers of the TSC.

Component 2: Strengthening Education Service Delivery

Subcomponent 2.2: Improving data gathering (school census)

10. The MEST Directorate of Planning and Policy, which currently administers the ASC, will take the lead in coordinating the 2018 ASC, working closely with the DEO staff. As under the parent project, the REDiSL Secretariat will manage any procurement required related to this activity.

Component 3: Project Management and Supervision

Subcomponent 3.1: Project management and supervision

11. As under the parent project, the REDiSL Secretariat will be responsible for project management, monitoring, and supervision. As mentioned earlier, while a PFMU is planned to be established within MOFED—where key functions including FM, procurement, internal audit, and M&E for all World Bank projects will be consolidated—it was agreed that the parent project and AF would retain the same FM, procurement, internal audit, and M&E procedures as detailed in the PAD (and updated in this annex) until December 31, 2017 (the closing date of the original project) or until the PFMU is established (whichever is later). At this time, the arrangements for the AF will be revisited and modified, as possible, to adapt to the new arrangements.

Financial Management

12. **FM assessment.** FM arrangements under the current project rely on the systems in use under the previous World Bank operation that has now closed. The REDiSL Secretariat employs an FM specialist and finance officer, who have experience in managing World Bank-financed projects. An FM supervision mission was conducted at the Secretariat in April 2017 to assess the continuing adequacy of FM arrangements under the AF. The supervision was conducted in accordance with the World Bank FM Policy (OP/BP 10.00 - Financial Management) and the Financial Management Manual for World Bank-Financed Investment Operations issued by the World Bank's Operations Policy and Country Services in March 1, 2010, and determined that the Project Financial Management Unit maintains adequate FM arrangements necessary to ensure that proceeds are used for the purposes intended during AF.

13. The FM rating for the proposed AF is Moderately Satisfactory and the FM risk rating remains Moderate. FM arrangements for the proposed AF are adequate to ensure that project funds are used for purposes intended with economy and efficiency.

14. **FM arrangements.** FM arrangements will remain unchanged from the original design for the proposed AF (apart from the provision of performance-based school grants which has

been brought under the auspices of the REDiSL Secretariat).⁵⁴ Quarterly Interim Financial Reports within 45 days of the end of each calendar quarter will be provided in the same format to that being submitted for the original project. Project audit reports will be submitted to IDA within six months of the end of the year and the audits will be carried out in accordance with the international standards on auditing by Audit Service Sierra Leone.

15. **Disbursement arrangements.** A new U.S. dollar DA will be established to receive IDA funds, which will be managed by the REDiSL Secretariat. The DA will be opened in a commercial bank acceptable to IDA, and the authorized signatories for the DA will be consistent with the Government of Sierra Leone signatory protocol. The funds will be disbursed to the AF project using the same arrangements as under the current project.

16. **Disbursement categories and use of funds.** Proceeds from the IDA Credit will be used for eligible expenditures as defined in the Credit Agreement. There will be three disbursement categories: one will be for ‘works, goods, consultancy services, non-consultancy services, training, and operating costs’ and will represent funds allocated to all AF subcomponents (excluding Subcomponent 1.1). The other two categories will be for performance-based school grants supported under Subcomponent 1.1 in (a) original and additional schools—disbursed after the GPE closing date and (b) additional schools—disbursed until the GPE is closed.

17. Under category 2 in the AF, performance-based school grants to schools not covered by the parent project (Additional Schools) will be 100 percent IDA financed until the GPE closing date (currently, December 31, 2017); meanwhile, performance-based school grants to current schools under the parent project (Original Schools) will be 100 percent financed from the GPE until the GPE closing date. After the GPE TF is closed, performance-based school grants to both Original and Additional schools will be 100 percent IDA-financed (category 1). Under category 3 in the AF, disbursement will begin after the GPE TF is closed. Meanwhile, disbursements under categories 2 and 3 in the parent project (which correspond to category 3 in the AF) will be 100 percent financed from the GPE from now until the GPE closing date.⁵⁵ The AF does not finance any expenditures under category 4 in the parent project, which will end on December 31, 2017.

⁵⁴ At appraisal, FM responsibility for school grants under Subcomponent 1.1 was with Local Government Finance Department as the subcomponent was anticipated to be under the auspices of LCs. Implementation and FM of school grants under Subcomponent 1.1 are now by the MEST, under the coordination auspices of the REDiSL Secretariat, which reflects the reconfiguration of the role of LCs in project implementation due to the following factors: (a) decentralization remains incomplete. The Ebola crisis brought about new priorities for education and decentralization has not been on the list of priorities in the last two years. Hence, the necessary work to fully align the Education Act and the Local Government Act has not been carried out. Similarly, quarterly meetings of MEST and the Ministry of Local Government has not yet commenced and neither has a Clearing House for decentralization disputes been established; (b) post-Ebola recovery work has brought about a new focus on support to and strengthening DEOs. The rationale is that DEOs are best placed to take implementation decisions at the local/decentralized level; (c) in the past, the MEST had experienced delays in release of funds routed through LCs to schools and DEOs; and (d) in the past, fee subsidies and grants were going from MOFED to LCs but schools have opened bank accounts and so these are now going directly to schools.

⁵⁵ Category 2 in the parent project is 100 percent GPE-financed while category 3 is jointly financed by the MDTF and GPE until March 31, 2017, and 100 percent GPE-financed from April 1, 2017, until December 31, 2017.

Table 4.1. Disbursement Categories and Source of Funds

Category	Amount Allocated (Expressed in US\$)	Percentage of Expenditures to be Financed (Inclusive of Taxes)	Source of Funds
(1) Performance-Based School Grants under Component 1.1 of the Project - Original and Additional Schools	6,300,000	100	IDA Disbursed after the GPE Closing Date
(2) Performance-Based School Grants under Component 1.1 of the Project - Additional Schools	400,000	100	IDA Disbursed until the GPE Closing Date
(3) Goods, works, non-consulting services, consultants' services, Training and Operating Costs under Components 1.1, 1.4, 2.2, 3.1 of the Project	3,300,000	100	IDA Disbursed after the GPE Closing Date
TOTAL AMOUNT	10,000,000		

Procurement

18. **Procurement arrangements will remain unchanged from the original design for the proposed AF.**⁵⁶ The REDiSL Secretariat employs a Procurement Specialist who will also handle procurements for the AF (in addition to the procurements for the parent project) in accordance with the Procurement Guidelines⁵⁷ of the World Bank. The procurement plan for the proposed AF will be updated semiannually and as and when required, to reflect the latest circumstances. As under the parent project, the MEST will submit contract management and expenditure information for the AF in quarterly reports to the World Bank. Further, planned activities to be financed by the AF will scale up and/or be similar in type to some of the activities already undertaken by the ongoing project, using the World Bank's Procurement Guidelines, with the same existing implementation arrangements, procedures, and staff that are established under the ongoing project.

19. **Assessment of procurement arrangements.** The procurement rating for the project is Moderately Satisfactory. As noted earlier, there is a full-time Procurement Specialist in the Secretariat. This specialist is supported by a Procurement Officer who has been recruited on a temporary basis in light of the quantum of procurement actions to be taken under the parent project. Through implementation of the parent project, the Procurement Specialist has built knowledge and practical experience with World Bank-funded procurements, but there is need for further capacity building. A rapid procurement assessment was conducted in March 2017 to assess adequacy of procurement arrangements. Based on the assessment, the procurement risk rating remains Substantial. Table 4.2 summarizes key risks identified and recommended

⁵⁶ The memo seeking an exception to the application of the New Procurement Framework to the AF project was approved by the chief procurement officer on April 26, 2017.

⁵⁷ This refers to World Bank's 'Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers' dated January 2011 (revised July 2014); 'Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers' dated January 2011 (revised July 2014); and 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006, revised January 2011 (the Anticorruption Guidelines).

mitigation measures to reduce procurement risks from Substantial to Moderate. The assessment also determined that the parent project has maintained adequate procurement arrangements which can be satisfactorily replicated under the proposed AF.

Table 4.2. Key Procurement Risks and Recommended Mitigation Measures

No .	Key Risks	Mitigation Actions
1	Deficits in knowledge, experience, and capacity of implementing entities of World Bank procurement guidelines and procedures and to plan, undertake, and manage normal and complex procurement	Agree on a training program (internal/external) that is both relevant and practical
		Organize capacity building with emphasis on understanding and application of procurement process
		Ensure procurement decision making is fully covered in the manual of the agency and is available/known to staff
		Arrange for appropriate support (staff, training, tools) to prepare the project Procurement Plan such that there is a clear relationship between project objectives and the Procurement Plan
2	Gaps in quality and timeliness of bidding documents, (pre-) qualification, short-listing, and evaluation processes	Involve technical staff and users in preparation of specifications or agree to hire competent consultants to draft ToR
		Agree on selection criteria for members of the evaluation committee, including technical expertise
3	Gaps in security management of the procurement documents	Implement record security and backup program as early as possible

Monitoring and Evaluation

20. The REDiSL Secretariat, as delegated by the PS's office, is responsible for supporting implementation of the project and will be responsible for monitoring and reporting project progress and outputs. In the AF project, M&E will be integrated in the design of each subcomponent. For example: (a) the school grants team/unit in association with DEO staff and district-level PBF Technical Committees will regularly monitor PBF implementation, while funds are also allocated under the PBF subcomponent for undertaking evaluation surveys and annual third-party review and validation exercises, which will inform reporting on progress of the subcomponent; and (b) the TSC has a planning and M&E unit as well as district offices with whom the Secretariat will coordinate with the relevant technical teams/units in the MEST, as well as the TSC, to collect data related to monitoring implementation of TSC activities and undertaking supervision/monitoring visits, as and when necessary. The Secretariat will provide regular reports on project implementation, at a minimum, semiannually with interim reports at times of World Bank supervision missions. The M&E arrangements under the parent project will apply to the AF until December 31, 2017 (closing date of the parent project), after which the above arrangements will take effect.

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