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The World Bank

Report No: ICR00003612

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-4753; EFA FTI GRANT TF-097559)

ON A

CREDIT
IN THE AMOUNT OF SDR33 MILLION (US$50 MILLION EQUIVALENT)

EFA FTI GRANT
IN THE AMOUNT OF US$90 MILLION

TO THE

REPUBLIC OF MALAWI

FOR A
PROJECT TO IMPROVE EDUCATION QUALITY IN MALAWI

December 10, 2015

Education Global Practice
Africa Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective December 18, 2015)
Currency Unit = Malawi Kwacha
MWK637.05 = US$1.0

FISCAL YEAR
July 01 – June 30

ABBREVIATIONS AND ACRONYMS

BoG	Board of Governors	MGDS	Malawi Growth and Development Strategy
CAS	Country Assistance Strategy	MoU	Memorandum of Understanding
CSR	Country Status Report	MoEST	Ministry of Education, Science and Technology
DEM	District Education Manager	NESP	National Education Sector Plan
DEMIS	District Education Management Information System	NER	Net Enrollment Rate
DFID	U.K. Department for International Development	NPV	Net Present Value
DP	Development Partner	ODL	Open Distance Learning
EFA	Education for All	PAD	Project Appraisal Document
EIMU	Education Infrastructure Management Unit	PCR	Primary Completion Rate
EMIS	Education Management Information System	PDO	Project Development Objective
ESIP	Education Sector Implementation Plan	PIEQM	Project to Improve Education Quality in Malawi
ESMF	Environmental and Social Management Framework	PoW	Program of Work
ESMP	Environmental and Social Management Plan	PQTR	Pupil per Qualified Teacher Ratio
FM	Financial Management	PTA	Parent-teacher Association
FTI	Fast Track Initiative	PTR	Pupil to Teacher Ratio

GER	Gross Enrollment Rate	RPF	Resettlement Policy Framework
GoM	Government of Malawi	SIP	School Improvement Planning
GPE	Global Partnership for Education	SMC	School Management Committee
HRMIS	Human Resources Management Information System	SSA	Sub-Saharan Africa
IFMIS	Integrated Financial Management Information System	SWG	Sector Working Group
IFR	Interim Financial Report	SWAp	Sectorwide Approach
IHS	Integrated Household Survey	TDC	Teacher Development Center
IRR	Internal Rate of Return	TTC	Teachers Training College
JICA	Japan International Cooperation Agency	TWG	Technical Working Group
JFA	Joint Financing Agreement	UNICEF	United Nations Children's Fund
JSR	Joint Sector Review	UPPET	Uganda Post Primary Education and Training
LDF	Local Development Fund	USAID	U.S. Agency for International Development
MDG	Millennium Development Goal		

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ICR Team Leader: Harriet Nannyonjo

REPUBLIC OF MALAWI

PROJECT TO IMPROVE EDUCATION QUALITY IN MALAWI

CONTENTS

A. Basic Information

Country:	Malawi	Project Name:	Project to Improve Education Quality in Malawi
Project ID:	P114847	L/C/TF Number(s):	IDA-47530,TF-97559
ICR Date:	10/30/2015	ICR Type:	Core ICR
Lending Instrument:	Specific Investment Loan	Borrower:	GOVERNMENT OF MALAWI
Original Total Commitment:	US$50.00 million	Disbursed Amount:	US$49.28 million
Revised Amount:	US$50.00 million		

Environmental Category: B

Implementing Agencies:

Ministry of Education, Science and Technology

Cofinanciers and Other External Partners: Fast Track Initiative (FTI) - US$90 million, U.K. Department for International Development (DFID) - US$90 million, Germany - US$25 million, United Nations Children's Fund (UNICEF) - US$1 million

B. Key Dates

Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	09/10/2009	Effectiveness:	02/18/2011	02/01/2011
Appraisal:	03/16/2010	Restructuring(s):	–	–
Approval:	06/17/2010	Midterm Review:	06/24/2013	07/05/2013
		Closing:	06/30/2015	06/30/2015

C. Ratings Summary

C.1 Performance Rating by ICR

Outcomes:	Moderately Satisfactory

Risk to Development Outcome:	Moderate
Bank Performance:	Moderately Satisfactory
Borrower Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	**Ratings**	**Borrower**	**Ratings**
Quality at Entry:	Moderately Satisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Moderately Satisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance:	Moderately Satisfactory	**Overall Borrower Performance:**	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	**Indicators**	**QAG Assessments (if any)**	**Rating**
Potential Problem Project at any time (Yes/No):	Yes	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Moderately Satisfactory		

D. Sector and Theme Codes		
	Original	**Actual**
Sector Code (as % of total Bank financing)		
Primary education	47	60
Public administration – Education	37	30
Secondary education	16	10

Theme Code (as % of total Bank financing)		
Education for all	100	100

E. Bank Staff		
Positions	**At ICR**	**At Approval**
Vice President:	Makhtar Diop	Obiageli Katryn Ezekwesili
Country Director:	Bella Bird	Luiz A. Pereira da Silva
Practice Manager/Manager:	Sajitha Bashir	Christopher J. Thomas
Project Team Leader:	Harriet Nannyonjo	Carlos A. Rojas
ICR Team Leader:	Harriet Nannyonjo	–
ICR Primary Author:	Harriet Nannyonjo	–

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document**)**

To increase access and equity and enhance the quality of teaching and learning environment in basic education.

Revised Project Development Objectives (as approved by original approving authority)

Not revised.

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Net enrollment rate (NER) in primary education			
Value (Quantitative or Qualitative)	79	83		88

Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	106 percent achieved			
Indicator 2 :	Gross enrollment rate (GER) in primary education			
Value (Quantitative or Qualitative)	119	114		126
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	There was a significant increase as a result of gross intake rates of above 200 percent and net intake rate of over 95 percent for both boys and girls.			
Indicator 3 :	Direct project beneficiaries (IDA core indicator)			
Value (Quantitative or Qualitative)	0	3,703,315		4,670,279
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	126 percent achieved (of which 50 percent female). This includes the number of pupils enrolled in primary schools in 2015.			
Indicator 4 :	Primary completion rate (PCR) for rural areas			
Value (Quantitative or Qualitative)	25	32		24
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	Since the age-specific numbers from the Education Management Information System (EMIS) are not reliable, the baseline was recalculated using the same methodology as the actual values achieved (based on the Household Survey). This resulted in a baseline of 25 percent (instead of 28 percent). Based on this methodology, the PCR for rural areas declined from 25 percent in 2010 to 24 percent in 2013. Completion rate to primary 5 increased from 50 to 55 during the same period, indicating a likelihood of achieving the outcomes.			

Indicator 5 :	PCR in urban areas			
Value (Quantitative or Qualitative)	51	62		53
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	Since the age-specific numbers from the EMIS are not reliable, the baseline was recalculated using the same methodology as the actual values achieved (based on the Household Survey). This resulted in a baseline of 51 percent (instead of 60 percent). Based on this methodology, the PCR for urban areas increased from 51 percent in 2010 to 53 percent in 2013. Completion rate to primary 5 increased from 77 percent to 83 percent during the same period, indicating a likelihood of achieving the outcome.			
Indicator 6 :	Pupil to qualified teacher ratio (PTR)			
Value (Quantitative or Qualitative)	91.5:1	87:1		66:1
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	124 percent achieved. National pupil to qualified teacher ratio (91.5:1 in 2010 to 66:1 in 2015); Pupil per Qualified Teacher Ratio (PQTR) in urban areas (68:1 in 2010 to 64:1 in 2015); and 95:1 in rural areas to 68:1 during the same period			
Indicator 7 :	Pupil to Classroom ratio			
Value (Quantitative or Qualitative)	100:1	97:1		127:1
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	Not achieved due to significant increase in school enrollment. For example, the net intake rate increased from 85.9 percent in 2012 to 97 percent in 2014. The gross intake rate was above 200 percent during the same period.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Number of boarding facilities built or rehabilitated			
Value (Quantitative or Qualitative)	0	11		14
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	116 percent achieved			
Indicator 2 :	Number of classrooms built or rehabilitated under the Project to Improve Education Quality in Malawi (PIEQM) (Core IDA indicator)			
Value (Quantitative or Qualitative)	0	3,000		2,936
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	97.8 percent achieved			
Indicator 3 :	Number of children receiving transfers			
Value (Quantitative or Qualitative)	0	75,000		70,052
Date achieved	06/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	93.4 percent achieved			
Indicator 4 :	Percentage of children receiving grants still in school			

Value (Quantitative or Qualitative)	0	94		99
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	105 percent achieved			
Indicator 5 :	Number of textbooks purchased and distributed			
Value (Quantitative or Qualitative)	0	9,800,000		26,937,976
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	274.8 percent achieved			
Indicator 6 :	Additional teachers qualified due to the PIEQM			
Value (Quantitative or Qualitative)	0	12,000		23,550
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	196 percent achieved			
Indicator 7 :	Assessment of teacher management system complete			
Value (Quantitative or Qualitative)	No	Yes		No
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. %	The assessment was not carried out.			

achievement)				
Indicator 8 :	Satisfactory implementation of the teacher management action plan for recruitment, education, deployment, remuneration, supervision, and promotion of teachers.			
Value (Quantitative or Qualitative)	No	Yes		No
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	Some teacher management actions were undertaken.			
Indicator 9 :	Human resources management information system in place			
Value (Quantitative or Qualitative)	No	Yes		No
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	The system was only implemented at the Ministry of Education and Science and Technology (MoEST) headquarters.			
Indicator 10 :	Percentage of primary schools receiving school grants			
Value (Quantitative or Qualitative)	0	100		100
Date achieved	08/30/2015	06/30/2015		06/30/2015
Comments (incl. % achievement)	100 percent achieved			
Indicator 11 :	Percentage of primary schools with strategic and annual work plans and budgets in place			
Value (Quantitative or Qualitative)	0	100		100

Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	100 percent achieved			
Indicator 12 :	Reliable annual abstract disseminated by March			
Value (Quantitative or Qualitative)	No	Yes		Yes
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	Annual statistical abstract was prepared on an annual basis but was at times late and some data (for example, student age) is not available.			
Indicator 13 :	Learning assessment in place			
Value (Quantitative or Qualitative)	No	Yes		No
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	Assessment system was not established. The Early Grade Mathematics Assessment and Early Grade Reading Assessment are being implemented in a few schools.			
Indicator 14 :	Number of managers trained in strategic planning, budgeting, and reporting			
Value (Quantitative or Qualitative)	0	100		2,100
Date achieved	08/30/2010	06/30/2015		06/30/2015
Comments (incl. % achievement)	2,100 percent achieved.			
Indicator 15 :	Student/textbook ratio English/ Math Standard 3			

	Standard 7			
Value (Quantitative or Qualitative)	2.6:1/2:1 1.7:1/1.5:1	1.5:1/1.5:1 1.5:1/1.5:1		1.1:1/1.1:1 1.01:1/1.1:1
Date achieved	08/31/2010	06/30/2015		08/31/2015
Comments (incl. % achievement)	Surpassed			

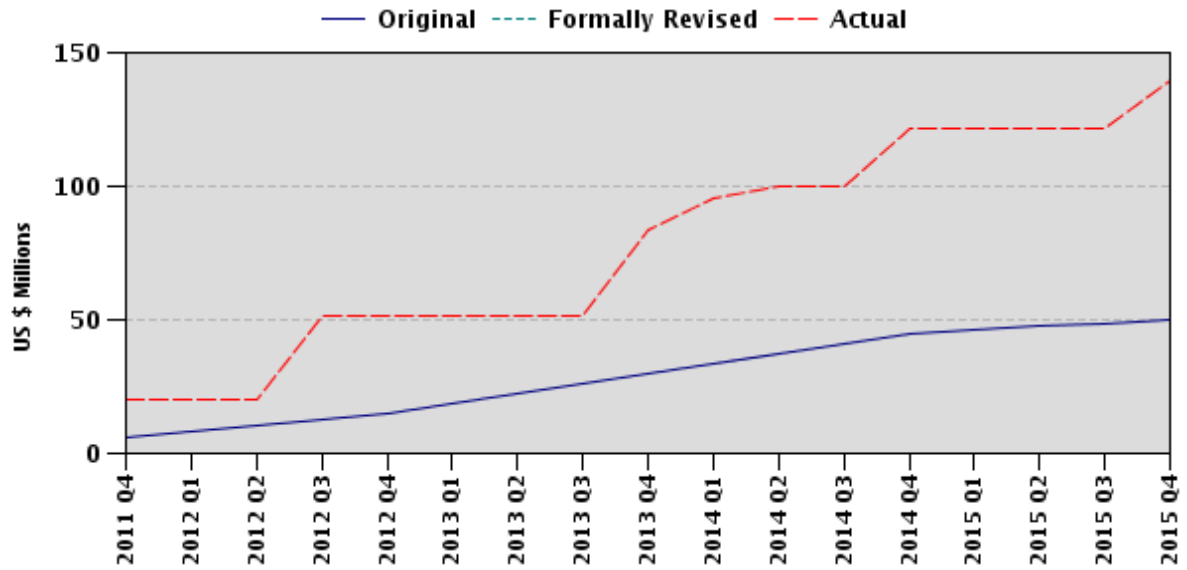
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	03/26/2011	Satisfactory	Satisfactory	0.00
2	11/22/2011	Moderately Satisfactory	Moderately Satisfactory	5.09
3	06/26/2012	Moderately Satisfactory	Moderately Satisfactory	12.94
4	12/26/2012	Satisfactory	Satisfactory	12.94
5	06/25/2013	Moderately Satisfactory	Moderately Satisfactory	21.13
6	12/21/2013	Moderately Satisfactory	Moderately Satisfactory	24.80
7	06/08/2014	Moderately Unsatisfactory	Moderately Unsatisfactory	39.41
8	12/24/2014	Moderately Satisfactory	Moderately Satisfactory	39.41
9	04/06/2015	Moderately Satisfactory	Moderately Satisfactory	40.70
10	06/26/2015	Moderately Satisfactory	Moderately Satisfactory	48.00

H. Restructuring (if any)

Not applicable.

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

1. At appraisal in 2009, Malawi faced extreme challenges. With an estimated gross national product of US$160 per capita, approximately 65 percent of the population lived below the national poverty line. Malawi also faced extreme challenges in the development of human capital. The dropout rate for primary education was very high, leading to only a 35 percent primary completion rate (PCR). There were significant income and regional disparities in education access and completion. The completion rate was 25 percent for rural areas and 51 percent for urban areas. Although there had been improved enrollments for girls at all educational levels, gender disparity varied from one level to another; there were more girls at lower grades (1.04 in grades 1–4) and the number of girls declined at higher grades (0.96 in standards 5–8) of primary education.

2. Malawi was also characterized by a severe lack of pedagogical resources and infrastructure in primary education, as evidenced by a pupil to teacher ratio (PTR) of 80:1, high pupil to classroom ratio (100:1), and a pupil to desk ratio of 9:1. The pupil per qualified teacher ratio (PQTR) was 91.5:1 in 2009. Rural primary schools, which are attended by a majority of the school children, were particularly disadvantaged with a PTR of 99:1 compared to urban schools, which had a PTR of 47:1. The PTRs were also skewed within schools with extremely high ratios in lower grades, making progress in early literacy and numeracy difficult for many children.

Government Strategy

3. Malawi had joined the Education for All (EFA) Fast Track Initiative (FTI) Partnership following the successful appraisal and endorsement of the National Education Sector Plan (NESP) 2008–2017 by the Local Education Group. The NESP and the Education Sector Implementation Plan (ESIP) 2009–2013,[1] which had been approved at the highest levels of the government of Malawi (GoM), translated the government's prioritization of education into objectives, strategies, and financing for education. The NESP outlined the strategy for Malawi to achieve equitable access to education, improve quality, and improve governance and management of the sector.

4. The reform agenda in the NESP was largely based on the findings of the Country Status Report (CSR) and a high-level dialogue with stakeholders. The reforms included (a) increasing accountability by providing grants to schools for the implementation of school improvement plans; (b) hiring teaching assistants in rural schools to help address the high PTR; (c) reducing the barriers of entry into teaching for rural teachers; and (d) expanding and improving education infrastructure, including classrooms, school facilities, and teachers' housing in difficult areas.

5. All development partners (DPs) had committed to support the NESP through a sectorwide approach (SWAp) (so that all future activities were outlined within these plans and on budget) following education partners' signing of a memorandum of understanding (MoU) in January 2010. In addition, a Joint Financing Agreement (JFA) was signed between the GoM and DPs to articulate joint commitments. The parties to the arrangement included the Ministry of Finance, the Ministry of Education, Science and Technology (MoEST), and the following DPs: Germany/KfW, U.K.

[1] To implement the first phase of the NESP.

Department for International Development (DFID), United Nations Children's Fund (UNICEF), and the World Bank (under both IDA and FTI). The SWAp MoU and JFA envisaged priority setting and budgeting as a joint process between the GoM and DPs and embracing civil society and the private sector. Subsequently, the Project to Improve Education Quality in Malawi (PIEQM) was designed to support the NESP goals through key interventions that improve access and equity, quality, and governance. The Project Appraisal Document (PAD) for the PIEQM was the document to guide investments under the JFA.

Rationale for Bank and FTI Involvement

6. Malawi had met the prerequisites for support from the FTI. Moreover, the existing aid flows were not sufficient to create the momentum necessary to accomplish the goal of quality universal basic education, given the extensive needs in the education sector and the weak but improving macroeconomic situation. The project was consistent with the Bank Country Assistance Strategy (CAS) for Malawi (2007–2010)[2] in support of the MGDS 2006–2011. The MGDS underscored the importance of education for economic growth and social protection. The CAS specifically proposed that the Bank stays strongly involved in supporting education programs as a mechanism to address poverty and inequality. Moreover, the NESP was fully consistent with the Malawi CAS goals of strengthening Malawi's foundation for supporting economic growth through human capital accumulation.

7. Within the framework of a SWAp, through a MoU and JFA, partners will support the education sector in a more coordinated and harmonized fashion. The Bank's involvement in this arrangement will improve the efficiency of its support to the NESP and reduce transaction costs for the government, in line with the Paris Declaration on Aid Effectiveness. The Bank's global experience in the management of SWAps, education reforms in low-income countries, and its expertise in fiduciary management will provide the needed technical and fiduciary expertise essential for an effective SWAp. Moreover, the project will contribute to the attainment of two Millennium Development Goals (MDGs): 2 (achieving universal primary education) and 3 (promoting gender equality and empowering women).

1.2 Original Project Development Objectives (PDO) and Key Indicators

8. The PDO was to increase access and equity and enhance quality of the teaching and learning environment in basic education.

9. The project's key performance indicators, baseline, and target values are given in table 1.

Table 1. PDO Indicators, Baseline, and Target Values

Project Outcome Indicator	Baseline	Target (2015)
Increase access		
Net enrollment rate (NER)	79%	83%
Gross enrollment rate (GER)	119%	114%
Increase equity		

[2] Extended to 2012 to allow full alignment with the Malawi Government Development Strategy (MGDS) II.

Project Outcome Indicator	Baseline	Target (2015)
PCR (both rural and urban) urban	25% 51%	32% 62%
Direct project beneficiaries (number) - Female (%)	0	3,703,315 (48%)
Enhance the quality of teaching and learning environment		
Pupil to Classroom Ratio	100:1	97:1
Pupil to Qualified Teacher Ratio	91:1	87:1

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and Reasons/justification

10. The PDOs and associated indicators were not revised.

1.4 Main Beneficiaries

11. The project's target population included the following: (a) all primary school students in public schools; (b) disadvantaged children in lower secondary; and (c) about 12,000 rural teachers. The project was expected to help 3.7 million beneficiaries.

1.5 Original Components (as approved)

12. The project had three components: (a) improve access and equity; (b) improve the teaching and learning environment; (c) improve management capacity at all levels.

Component 1: Improve Access and Equity (Original: US$96 million; actual: US$81.9 million)

13. **Subcomponent 1.1: Construct and upgrade education facilities (Original: US$70 million; actual: US$69.9 million).** This subcomponent was to finance (a) the update of the 2001 school mapping exercise and (b) construction, rehabilitation, and upgrade of a wide range of education facilities for pupils and teachers, including teacher training colleges (TTCs), particularly in areas where inadequate physical infrastructure hinders school attendance of marginalized children. All the construction was to be implemented by the Education Infrastructure Management Unit (EIMU) of the MoEST.

14. **Subcomponent 1.2: Provide direct support to disadvantaged children (Original: US$26 million; actual: US$12 million).** This component envisaged to increase the participation of marginalized students in basic education by financing the following: (a) secondary school bursary packages (that is, tuition, textbooks, exam fees) and stipends; (b) development and implementation of communication strategy; (c) a rigorous evaluation to identify incentive packages that are cost-effective and lead to improvement in school participation and outcomes.

Component 2: Improve the Teaching and Learning Environment (Original: US$59 million; actual: US$87.3 million)

15. **Subcomponent 2.1: Provide textbooks and learning materials (Original: US$48 million; actual: US$49.6 million).** This subcomponent was designed to support printing and distribution of textbooks and learning materials and provision of pedagogic aids for basic education.

16. **Subcomponent 2.2: Train teachers through open distance learning (ODL) (Original: US$11 million; actual: 37.7 million).** This subcomponent was designed to improve the number of qualified teachers in basic education by supporting the implementation of an ODL program. This subcomponent financed the (a) printing and distribution of ODL materials; (b) supervision of ODL students through procurement of vehicles; (c) upgrade of teacher development centers (TDCs) and a TTC so that ODL can be delivered more effectively through them; and (d) evaluation of the effectiveness of ODL to improve education quality in underserved communities.

Component 3: Improve Management Capacity at All Levels (Original: US$90 million; actual: US$44.9 million)

17. **Subcomponent 3.1: Support teacher management reform (Original: US$9 million; actual: US$8.6 million).** This subcomponent was designed to address systemwide constraints in teacher management by financing the following: (a) implementation of a program of activities to support continuous professional development and teacher management and (b) development of an integrated Human Resources Management Information System (HRMIS).

18. **Subcomponent 3.2: Support school improvement planning (SIP) (Original: US$69 million; actual: US$30.9 million).** This subcomponent was designed to improve education service delivery by increasing the flow of resources to the school level by financing (a) training for all public school personnel, school management committees (SMCs), and parent-teacher associations (PTAs) in planning, financial management (FM), and accountability to produce school improvement plans and budget and (b) provision of school grants to deliver the plans.

19. **Subcomponent 3.3: Strengthen planning and budgetary management (Original: US$12 million; actual: US$5.4 million).** This subcomponent supported activities to strengthen the capacity of the district and central levels to provide planning, financial, and technical oversight based on a Capacity Development Strategy for education capacity-building activities, including: (a) upgrading certification and implementing divisional refresher workshops for staff in FM and procurement at all levels; (b) monitoring and evaluation (M&E) of the SWAp; and (c) improving education planning capacity building at the central and district levels based on the strategies prepared by the Japan International Cooperation Agency (JICA) and the United States Agency for International Development (USAID).

1.6 Revised Components

20. The components were not formally revised.

21. Although there was no formal reallocation of funds, resources were reallocated to support training of a larger number of teachers for rural schools in response to the government's priority

to significantly reduce class sizes in rural schools. This was facilitated by a reallocation of funds from Subcomponents 1.2 and 3.2. Expenditure under Subcomponent 3.2 (support to SIP) was almost half of what was planned, even though all districts were covered because of the phasing in of districts to allow for capacity building at the district and school levels. Actual expenditure under Subcomponent 1.2 (support to disadvantaged children) was almost half of what was planned due to the delayed start of the program, as guidelines and communication materials were being developed to guide the program, and the cautious move by the government to take on a manageable number of students that they could sustain after project closing.

1.7 Other significant Changes

Restructuring

22. In December 2011, the Financing Agreement was amended to allow the Local Development Fund (LDF) as an additional implementation arrangement for primary school classroom construction.

23. The closing date of the EFA FTI Catalytic Fund Grant was extended twice by a cumulative total of two years to enable the government to (a) complete the implementation of ongoing activities critical for the achievement of the PDO; (b) utilize the remaining unutilized balance of funds under the grant; and (c) consolidate results and lessons learned by submission of the next application for funding from the Global Partnership for Education (GPE) (former EFA FTI). The first extension was in June 2013 for a period of one and half years, from June 30, 2013 to December 30, 2014. The second extension was in December 2014 for a period of six months from December 30, 2014 to June 30, 2015 to facilitate alignment of the EFA FTI and IDA closing dates and enable achievement of the PDOs.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design, and Quality at Entry

24. **Soundness of background analysis.** Project preparation included sound background analysis in the form of a comprehensive CSR on the education sector which was prepared in close collaboration with a multi-ministerial national team and local institutions. An institutional capacity assessment was carried out for the education sector to identify gaps and measures to address them. In addition, detailed analyses were undertaken to establish the funding gap, fiduciary as well as social and environmental risks.

25. **Adequacy of government commitment.** There was strong government commitment to the project, since education was a high priority as reflected in Malawi's Growth and Development Strategy (2007–2011) and in the CAS at the time. The government had made the education sector a priority and had committed to addressing the key issues faced by the sector as stated in the NESP. This plan was approved by the highest levels of the government and represented the government vision in the education sector. The government commitment was further evidenced through the JFA in which the government committed to increasing or at least maintaining the real level of its own budget provision for education.

26. **Assessment of design.** The project was well designed with a clear PDO and clear causal chain with outputs and intermediate outcomes which could be plausibly linked to expected outcomes. The design included interventions to address the critical demand side (through school grants, bursaries, and transfers to lower secondary students), the supply side (infrastructure where this was a bottleneck to enrollment and retention of trained teachers to reduce class sizes in rural areas), and capacity constraints in the education sector. The design focused on specific aspects of the NESP—increase availability of education infrastructure, decrease the cost of education for disadvantaged groups, improve availability of learning materials, enhance the quality and quantity of teachers, and improve management capacity at all levels. This focus was in response to the CSR findings which pointed to inadequate school infrastructure, financial constraints, and excessive PTRs as being key factors in increasing access and retention. The design should have been more explicit on actions for redeployment of teachers to create room for facilitating recruitment of teachers to rural schools within the existing wage bill[3] and on addressing other system factors that affect completion.

27. The project represented a programmatic approach to ensuring the provision of quality education and increasing participation of marginalized children in basic education. It was part of the support to a coordinated and harmonized SWAp that aimed at reducing transaction costs for the government, since planning, budgeting, and monitoring for pooled funding activities was supposed to be coordinated. In addition to the IDA credit, the SWAp was jointly financed by grants from the GPE (US$90 million), DFID (US$90 million), Germany (US$25 million), and UNICEF (US$1 million). A Joint Financing Arrangement describing the eligible expenditures, structure, and institutional mechanisms for the SWAp was signed by all pooled partners. Eligible expenditures under the pooled fund included the seven subcomponents of the PIEQM. The JFA included provision for the Bank to be responsible for fiduciary aspects under the pooled fund. The Bank was also the supervising entity for the GPE grant.

28. The MoEST was appropriately placed as the implementing agency. The Education Sector Working Group (SWG), chaired by the permanent secretary, was to monitor and oversee implementation following the GoM guidelines for institutionalizing the SWGs which provided an avenue for discussion of technical issues on a regular basis. The design also focused on strengthening planning and budgetary management rightly aimed at addressing the weak institutional capacity of the district and central levels to provide planning and technical oversight in FM, procurement, and M&E of the SWAp. This oversight was intended to ensure that the key components were being properly implemented and monitored. These mechanisms proved to be robust as project implementation continued even during the political crisis that led to a change in political leadership.

29. A Specific Investment Loan was the appropriate instrument given the capacity constraints and to help focus on specific activities that will have an impact on the identified objectives. Pooling resources with other partners helped to achieve efficiency in implementation through a more coordinated approach to planning, budgeting, and M&E.

30. The design took into consideration lessons learned from other projects. The Bank team looked for other experiences in the areas of stakeholder participation in project preparation,

[3] There is a high variation in PTR between grades, schools, and location. The PQTR ranges between 30 and 90.

education access and quality, community participation, and pooled funding. The previous Direct Support to Schools Program was carefully reviewed and lessons on the need for capacity building and flexibility in grant guidelines while allowing for a balance between national- and school-level priorities were used to design the subcomponent on the SIP. Lessons from health/human immunodeficiency virus pooled fund informed the design of implementation and fiduciary arrangements for the project.

31. The EIMU was assigned the role of sole implementing agency for classroom construction. This was because at the time of project design, there was significant donor-funded technical assistance.[4] However, continuation of this technical assistance to the government budget did not materialize, and this led to a slow pace of construction during the first year of project implementation. The change to include the LDF[5] during the 2011 restructuring significantly improved the pace of classroom construction. The LDF constructed about 80 percent of the planned classrooms and at a lower cost than those constructed by the EIMU.

32. The design proved to be ambitious in two respects. First, the GPE funding was only for three years and had to be extended for two more years to facilitate completion of ongoing activities which were critical for the achievement of the PDOs and to utilize the remaining funds. Second, institutional-strengthening activities were beyond the capacity of the MoEST and this resulted in many of the activities focusing on teacher management and learning assessment not being implemented.

33. **Assessment of risks.** The overall project risk was assessed as Substantial at entry. In general, the project's risks and measures to mitigate them were identified and incorporated in the project design. One risk was rated High and the others Substantial at entry. All the identified risks materialized to a moderate extent but were proactively addressed by the Bank team, the pooled DPs, and the MoEST to facilitate implementation.

34. The High risk of limited implementation capacity at the central and provincial levels was mitigated to Substantial by recruitment of technical advisors two years in critical areas and capacity building. Although technical advisors and capacity-building activities helped the project, they did not fully address the capacity issues.

2.2 Implementation

35. **Factors outside government control.** There were two factors outside government control. First, the global economic crisis and its impact on Malawi's economy and financial situation. The economic crisis led to devaluation of the kwacha by about 50 percent in 2012 and subsequent floatation of the currency. This had several implications on project outcomes. For example, the deployment of ODL teachers was delayed due to wage bill limitations. Second, heavy rains and floods damaged classrooms and instructional materials and also led to construction delays. The floods that occurred in early 2015 led to the damage of over 500 classrooms and some instructional materials, reducing the number of available classrooms and textbooks and thus impacting the

[4] At the time of the PIEQM approval, the EIMU was managing two large school construction projects with technical assistance support from the DFID.

[5] The LDF was established in 1994 to undertake community construction under the Bank Malawi Social Action Fund (MASAF) Program.

outcome indicators relating to pupil to classroom ratio and pupil to textbook ratio. Moreover, heavy rains made some construction sites inaccessible and brickmaking difficult, leading to delays in construction activities.

36. **Factors subject to government control.** There were three major factors subject to the government's control. First, government commitment and policies facilitated implementation. The GoM decentralization policy and the National Strategy for Community Participation facilitated capacity building and the devolution of a substantial amount of funds to districts and then to schools and this facilitated implementation of school construction activities and school improvement grants. School grants were provided within this broader government strategy which facilitated a comprehensive approach to supporting schools. The Kalondolondo Report on school construction reported better quality classrooms where there was strong community participation. In addition, the SMCs and village chiefs were actively involved in mobilization of parents to enroll their children in school, and support to student welfare like volunteering to prepare meals for students. On the other hand, the centralized bulk procurement of instructional materials through international competitive bidding helped reduce unit costs for textbooks. Moreover, the government also increased the teacher wage bill (in 2012 and again in 2015) to facilitate recruitment of ODL graduate teachers to rural schools.

37. Second, slow progress in decentralizing the HRMIS coupled with lack of proper coordination among the Department of Teacher Education Development, the Directorate of Basic Education, and the Directorate of Human Resources Management Division led to slow pace of implementation of activities related to teacher management reform under Component 3 of the project.

38. Third, the 2013 public FM scandal (referred to as 'cashgate scandal[6] in Malawi') affected available resources and the pace of implementation. While the scandal did not affect the education sector, it resulted in withdrawal of funding by the JFA DPs and disbursement delays. Withdrawal of funding by the DPs reduced the resource envelope by 26.3 percent (US$67.4 million) of eligible expenditures under the SWAp Program.[7] Following the withdrawal by the JFA DPs, the Bank team proactively worked with the MoEST to analyze the implications of the reduced funds and agree actions to ensure that the targets were achieved. The government picked up much of the funding gap created as a result of the withdrawal by the pooled partners. The scandal also led to disbursement delays as the project team had to resort to manually processing Interim Financial Reports (IFRs) following the suspension of the IFMIS, as the government tightened financial controls. This affected the pace of implementation as there were delays of up to six months in opening letters of credit for textbooks and cost increases for construction under the EIMU as contractors started charging interest after 45 days of submitting certificates and invoices for payment (11 out of 88 classrooms were not completed by project closing). The MoEST had to reach an agreement with the DFID to finance the completion of these unfinished classrooms.

39. Four factors were subject to the MoEST (the implementing agency) control. First, the limited coordination between the MoEST with the Local Government Finance Committee led to

[6] Civil servants used the Integrated Financial Management Information System (IFMIS) to withdraw large sums of government funds for personal use.

[7] The Bank's continued engagement was based on an in-depth review of FM issues in the project and after a Joint Sector Review (JSR).

delays in submission of statement of expenditures by the districts and processing of IFRs, thus contributing to delays in release of school grants. Second, high staff turnover and lack of a dedicated focal point person for each of the components or subcomponents led to limited ownership by the technical departments and slow or lack of implementation of some activities. For example, most of the planned human resources activities were not implemented. Third, community contribution to construction was a challenge for some communities because of unavailability or cost of the materials they were supposed to contribute. The use of soil-stabilized blocks for classroom construction helped to address this problem and enhanced community participation in school construction activities. Fourth, the low capacity of the Procurement Unit led to delays in procurement, particularly of textbooks as it took several iterations between the Bank and the unit to get the documents right. As a result of these delays, more than 70 percent of the textbooks were delivered during the last six months of implementation.

2.3 Monitoring and Evaluation (M&E) Design, Implementation, and Utilization

40. **M&E design.** Overall, the project M&E was designed with appropriate measurable outcome and intermediate indicators to measure progress toward the PDOs although with moderate shortcomings. The PDOs were clearly defined and indicators were aligned with the PDOs and components. The baseline for all the indicators was included in the PAD. In hindsight, the Results Framework should have included a PDO indicator to measure the availability of textbooks as a means of improving the teaching and learning environment, given the substantial investment in providing textbooks and learning materials, and their importance in improving the learning environment. In addition, an outcome indicator to measure improved availability of qualified teachers in rural areas (rather than teachers overall)[8] would have been more appropriate. Moreover, the GER is not a good measure of access given the high repetition rates (above 20 percent) and the continuing phenomena of out-of-age enrollment [9] in Malawi. In addition, the target for beneficiaries of bursaries and cash transfers was ambitious.[10] Furthermore, it is difficult to obtain accurate data on the school attendance age group in a system where there is no systematic birth registration. This made it difficult to determine realistic estimates for the NER and completion rates using the Education Management Information System (EMIS) data.

41. The design included appropriate mechanisms for collection, analysis, and dissemination of data. The EMIS was the main instrument for capturing and analyzing data on inputs, outputs, and outcomes. In cases where data were not captured from the EMIS, performance reports were prepared by the respective departments. The design focused on building the sector's capacity at the school, district, and central levels to produce reliable education data and to monitor and evaluate specific education interventions. Mechanisms were put in place for capacity building and ensuring the quality of performance information by requiring district education managers (DEMs) to review performance data before they send it to the Ministry of Education for entry into the EMIS. The design also envisaged Joint Annual Reviews to discuss overall progress and quarterly joint monitoring meetings based on quarterly monitoring reports that show financial, procurement, and activity progress. Although the original M&E design used EMIS data as a basis for monitoring

[8] The Results Framework indicates the PTR. Although the arrangements for results monitoring indicate Pupil to Qualified Teacher Ratio (PQTR) this focuses on the national average rather than rural areas.
[9] This is close to 50 percent based on the EMIS.
[10] Per year, 15,000 students will be added. This would result in 75,000 students, but the Results Framework target was 315,000.

project achievements, the Public Expenditure Tracking Survey which was undertaken in 2014 identified some inaccuracies in the EMIS data. The JSR of 2015 agreed on addressing these issues under the proposed GPE Project. While the Welfare Monitoring Surveys and Household Surveys would have facilitated a more accurate reporting on the completion rate and the NER, these were not an annual exercise.

42. The project design envisaged that the MoEST would collaborate with international and local research institutions to undertake rigorous impact evaluations to identify cost-effective models of delivery of ODL, direct support to disadvantaged children, and other areas identified during the course of implementation. The design also included technical audits for construction and annual procurement audits. The mechanisms put in place were appropriate given the SWAp and the progress made by the MoEST in establishing an M&E system as noted by the ministry's capacity needs assessment of the M&E system.

43. **M&E implementation and utilization.** Overall, M&E was well incorporated into actual implementation for the most part. The Ministry of Education produced quarterly reports. These reports were informed by the EMIS and departmental reports, and provided the basis for monitoring progress on agreed indicators through quarterly SWG meetings. The ministry also used EMIS data to prepare a yearly comprehensive sector performance report that was discussed at the annual JSR. The monitoring information shared during the quarterly meetings and annual joint reviews identified the extremely slow pace of classroom construction by the EIMU and led to changes to introduce the LDF as an additional agency for classroom construction. Information from the EMIS was also used for preparation of program of work (PoW) for the subsequent year.

44. An in-depth technical audit was undertaken to assess the actual quality of construction and compare the value-for-money provided by the two construction programs. The report showed that communities' assessments of the quality of construction was uneven across districts and averaged above the 'satisfactory' score. The results were used by the LDF to revise its guidelines to address quality issues and community contribution. An evaluation of school grants indicated advantages of addressing school-level needs, and this resulted in a decision to change the guidelines toward a 'needs-based' formula. The new guidelines are being prepared with support from UNICEF.

45. There were some shortcomings in M&E implementation. The completion rate was not tracked on a regular basis due to unavailability of age-specific enrollment data to facilitate calculation of completion rates. The evaluations relating to ODL were not completed during the project period, although this did not impact the measurement of PDO indicators. While there was capacity building to improve the EMIS, and the pooled partners actively worked with the MoEST to improve the quality of the EMIS, concerns remain on the accuracy of data. For example, reporting of an NER of over 100 percent indicates inaccuracies in reporting on appropriate age or under reporting on dropout and this also presented challenges in monitoring of the completion rate.

2.4 Safeguard and Fiduciary Compliance

46. **Social and environmental safeguards.** The project triggered two Bank Safeguard Policies. These are OP 4.01 (Environment Assessment) and OP 4.12 (Involuntary Resettlement). The project was classified as Category B according to Bank OP 4.01 due to planned construction

activities. In line with Bank policies, the MoEST updated and disclosed both its Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF).

47. The project complied with the safeguard policies. Environmental and Social Management Plans (ESMPs) were prepared for all classroom projects implemented under the LDF and a separate ESMP for classroom projects under the MoEST. A consultant was appointed to undertake follow-up field visits and provide backup advisory services on safeguards adherence in project activities. The project also used environmentally friendly construction materials such as cement blocks and stabilized soil blocks, steel doors, and window frames.

48. A separate ESMF for construction of the Phalombe Teachers College was prepared in October 2009. The ESMF provided for procedures for the construction and rehabilitation of education facilities requiring an environmental impact assessment. The project triggered OP 4.12 for Involuntary Resettlement due to nine households that lived on the land earmarked for the college. All project-affected people were compensated for loss of land and assets by the GoM and assisted in relocating to suitable alternative sites in line with the provisions of the Resettlement Action Plan.

49. **Financial Management.** Although the Malawi country FM system was assessed to have met the requirements of the Bank's OP/BP 10.02, an FM assessment for the MoEST concluded that there was substantial FM risk. The assessment identified several strengths and weaknesses and an action plan to address the weaknesses was agreed upon. FM supervision was carried out on a regular basis by a field-based staff. Supervision missions confirmed that all financial covenants were complied with albeit with delay, an adequate FM system and internal controls were in place within the MoEST, the action plan was being implemented, and counterpart funds were provided as planned. Audit reports were submitted six to twelve months late for all the years. There were also delays in the submission of IFRs. Audit reports were qualified mainly due to administrative actions, for example, delays in payment of suppliers despite availability of pooled funds, and errors.[11] Delays in submission of audit reports were due to delays in procurement of auditors and use of a government system (IFMIS) which is not activity-based, thus making tracking of expenditures difficult. Further, the 2013 and 2014 audit reports were qualified with issues related to undocumented transactions indicating issues related to limited FM capacity within the MoEST. Both audit reports expressed a clean audit opinion on the use of pool funds for eligible expenditures. The Bank team undertook an in-depth audit for 2013 and agreed on specific actions which were implemented by the government. The Bank team plans to undertake an in-depth audit for 2014.

50. **Procurement.** An assessment of the country procurement system and the capacity of the MoEST to implement the project procurement activities was carried out by the Bank team during preparation. This assessment found that procurement practices did not fully comply with international practices. The overall capacity to carry out procurement was moderate and the risk was Substantial. The covenants relating to procurement (adequately staffed Procurement Unit and annual procurement audit) were complied with, although the project experienced frequent staff turnover at the beginning. Procurement guidelines were generally followed and completed in a

[11] Although the project used government systems, the Bank required the same reporting procedures as a regular SIL. The IFMIS was prone to error since it was not activity based.

satisfactory manner although in some cases with delay, and one textbook tender had to be cancelled and repeated due to governance concern. An annual procurement audit was undertaken. Procurement performance was slightly weak initially, but gradually improved as a result of capacity-building activities undertaken by the Bank team.

2.5 Post-completion Operation/Next Phase

51. The transition arrangements for post-project operations have been put in place with regard to ensuring sustainability of classrooms constructed under the project. Currently, the school grant includes a portion for school maintenance. The proposed GPE Project, scheduled for approval in July 2016, will continue supporting the strategies to improve school infrastructure, enhance school improvement grants to improve promotion and retention, and focus on improvement of learning at the classroom level.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design, and Implementation

52. **Relevance of objectives.** The relevance of objectives is considered high. The PDOs are highly relevant to the objectives of the Bank's Country Partnership Strategy for FY13–16, which was designed to help the GoM to implement its development priorities which are articulated in the MGDS II (2014–2016). In particular, the PDOs are consistent with the Country Partnership Strategy theme 2: enhancing human capital and reducing vulnerabilities, result area of improved access to quality education. The MGDS prioritizes building the human capital base through investment in quality education. The PDOs also remain consistent with the government's ESIP II, 2015/16–2017/18, which continues to emphasize increase in access, equity, and quality of education. Furthermore, the project remains consistent with GPE goals: access for all and learning for all. It is also consistent with the Bank goals of enhancing shared prosperity given its objective of increasing equity.

53. **Relevance of design.** The relevance of project design is modest. The project was well designed with appropriate and clear PDOs, and a clear link between activities financed by the project, intermediate outcomes, and expected outcomes. Project components were well placed to support the achievement of the intermediate outcomes, which were in turn essential for achieving the PDO and GPE goals.

54. The first component addressed supply- and demand-side problems of education provision/access through expansion of education infrastructure for students in areas where inadequate infrastructure hinders access by marginalized children. An improvement in availability of infrastructure will also decrease dropouts through increased accessibility of schools and improved classroom environment. The direct support to marginalized students to address economic barriers provided motivation for students to complete primary education in anticipation of support to attend secondary school. Previous rigorously evaluated pilot studies of cash and in-kind transfer programs found such transfers to be effective in raising school enrollment and attendance. However, specific actions to address other factors, for example, high repetition rates (over 20 percent) and appropriate age of entry which affect the completion rate should have been made more explicit and monitored accordingly.

55. The second component, correctly supported improvement of the teaching and learning environment by providing textbooks, learning materials, and pedagogic aids for pupils and teachers to support implementation of the new curriculum, and in line with the MoEST strategy of allocating one textbook per learner for each subject. Provision of textbooks will help to reduce the pupil to textbook ratio. Likewise, to provide an immediate solution to the chronic shortage of qualified teachers, resulting in an extremely high PTR particularly in rural areas, the project supported an ODL program. Although the project supported local recruitment of student teachers to schools where they are needed, there should have been specific actions to redistribute teachers between geographical areas, schools, and grades.[12]

56. The third component, improve management capacity at all levels, was relevant as it supported interventions to strengthen the sector's institutional capacity. Grants to schools proved to be a highly successful strategy to quickly respond to school needs, including auxiliary teachers, instructional materials, minor infrastructure improvements, and support to disadvantaged students (for example, providing uniforms) and therefore supporting progress toward the three PDOs. Training of the DEMs, public school personnel, the SMCs, and PTAs was critical for building capacity to produce school improvement plans and budgets which were the basis for approval of school grants. The support to an integrated HRMIS correctly aimed at addressing system-wide constraints in teacher management and deployment. However, teacher management activities were barely implemented due to human and institutional constraints, including weak coordination.

3.2 Achievement of PDOs

Rating: Substantial

57. The PDOs of increasing access and equity and enhancing the quality of the teaching and learning environment were substantially achieved with efficiency.

58. The project presents challenges in evaluation. First, the quality of education data in Malawi remains poor as indicated in the M&E section. For this reason, assessment of the access indicator uses the Welfare Monitoring Survey[13] for 2014, and the equity indicator uses Household Survey data. Second, some of the indicators (for example, completion rate and GER) were influenced by other factors, including age-specific estimates, repetition rates, and under reporting of dropouts).

59. **Increase access.** Overall, the project had a substantial impact on increasing access. The NER increased from 79 to 88 percent between 2010 and 2014 (exceeding an end-of-project target of 83 percent). Net intake rate increased from 85.9 percent in 2012 to 97.5 percent in 2014, leading to an unprecedented increase in school-age population. Overall, the number of children enrolled in primary schools increased from 3.67 million in 2009 to 4.67 million in 2014 (27 percent increase). This is an increase of more than 4.1 percent per year, much more than the natural demographic increase of 2.8 percent per year in 2008. The project directly contributed to this achievement through construction of 2,936 classrooms in areas where infrastructure limitations constrained enrollment (achieving 97.8 percent of the end-of-project target of 3,000 classrooms with accompanying sanitation facilities). It is worth noting that enrollment in schools where

[12] There remain high inequalities in teacher allocation between schools and grades with the PTR ranging between 100:1 in lower grades and 50:1 in grades 7 and 8; and between schools with some schools at 70:1 and 2 out of 5 schools at 50:1.

[13] The Welfare Monitoring Survey is conducted every two years.

construction took place increased by an average of 30 percent compared to 8 percent in schools where there was no construction. During the completion mission, stakeholders alluded to increase in enrollment as being a result of construction of classrooms. They mentioned improved appearance ('image') as making schools less shameful to go to but also the perception that they offer better quality education than the schools with extremely poor structures.

60. **Increase equity.** The project had a modest impact on increasing equity because progress in equity targets is mixed. The outcomes specified in the PAD for measuring the equity outcomes are direct project beneficiaries and PCR (both rural and urban). The project directly benefited 4,670,279 students, exceeding the target by 26 percent (of which 50 percent are female).[14] Tables 2 and 3 show PCRs for grades 5 and 8 for 2010 and 2013.[15] Between 2010 and 2013, PCRs (grade 8) for urban areas improved from 51[16] to 53 percent. In rural areas, PCRs declined from 25 to 24 percent during the same period. The completion rates for grade 5 increased for both rural and urban areas, indicating a high likelihood of translating into higher completion rates for grade 8.

Table 2. Education Completion Rates, 2010

	Total	Urban	Rural	Male			Female		
				Total	Urban	Rural	Total	Urban	Rural
Grade 5	54	77	50	52	75	48	55	79	52
Grade 8	29	51	25	25	48	21	33	54	29

Table 3. Education Completion Rates, 2013

	Total	Urban	Rural	Male			Female		
				Total	Urban	Rural	Total	Urban	Rural
Grade 5	59	82	55	57	75	54	62	87	57
Grade 8	28	53	24	27	47	23	30	60	24

61. Between 2010 and 2013, the PCRs (grade 8) for boys increased by 2 percentage points, while that for girls declined by about 2 percentage points.

62. While other factors may have contributed to the increase in equity, project activities contributed directly. First, provision of school improvement grants to all schools (achieving the end-of-project target of 100 percent). School improvement grants were successful in responding to school needs, including supporting disadvantaged students through provision of personal needs, for example, school uniforms. A key finding of a recent impact evaluation of the Primary School Improvement Program is that non-staff inputs acquired by schools under the program played a critical role in improving the internal efficiency of primary schools by reducing repetition and dropout rates. This is demonstrated by an increase in completion rates for grade 5 in all categories (rural, urban, males, and females). Moreover, an analysis using the Quality of Service Delivery

[14] IDA core indicator.
[15] Based on the 2013 Household Survey data. More recent data is not available.
[16] Since the age-specific numbers from the EMIS were not reliable, the baseline for PCR was recalculated using the same methodology as the actual values achieved (based on the Household Survey data for 2013). This resulted in a baseline of 24.82 and 51.02 percent for rural and urban areas, respectively.

Survey and the EMIS data found availability of classrooms and non-salary recurrent expenditure to have a significant impact on the promotion rates[17] as evidenced by increase in survival rates for grades 1–5. Second, providing direct support to 70,052 students (achieving 93.4 percent of the end-of-project target of 75,000), and all these beneficiary students are still enrolled in school. Third, construction of 14 girls' hostels,[18] exceeding the target by 27 percent. Discussions with stakeholders[19] where girls' hostels were constructed indicate high appreciation for the hostels and their importance in keeping girls from remote areas in school. Between 2012 and 2015, dropout rates for girls and boys reduced by 2.3 and 1.1 points, respectively.

63. **Enhance the teaching and learning environment.** The project had a substantial impact on the teaching and learning environment. The assessment of this outcome uses the following three indicators: (a) PQTR (including in rural areas) since this is a better measure of improved availability of qualified teachers, which was the intention of the project; (b) pupil to textbook ratio; and (c) pupil to classroom ratio.

64. Between 2010 and 2015, the PTR improved from 91.5:1 to 66:1, exceeding the end-of project target of 87:1.[20] Most importantly, the improvement for rural areas was 27 points (95:1 to 68:1) compared to only a 4-point improvement for urban areas (68:1 to 64:1) during the same period, and this also contributed to equity. The project contributed to these outcomes through recruitment of untrained teachers from rural areas and placing them in schools near or in their home communities as student teachers for a period of two years as they gained their full teaching qualification. A total of 23,550 teachers were trained[21] through the ODL program and certified based on the teacher training standards for Primary Teacher Education in Malawi (exceeding the end-of-project target by 96 percent). This led to a rapid improvement in the PTR in rural areas. The first cohort of ODL graduates were hired in 2012 which is evident in the significant improvement in the PQTR for rural areas from 95:1 in 2012 to 76:1 in 2013. Parents and head teachers alluded to improved availability of teachers in rural schools. They also reported improved teacher attendance in rural schools where teachers' houses have been constructed. An evaluation of the school grants program also found an improvement in qualified teacher attendance. Although intermediate indicators relating to the teacher management system were not achieved, this did not have an impact on the achievement of the PDO but will affect future activities focusing on improving teacher management.

65. There was significant improvement in pupil to textbook ratio for English and mathematics for Grade 3 and Grade 7 with both these rates improving to 1:1, meeting the end-of-project target. To achieve this improvement, the project financed the procurement and distribution of 26,937,976 textbooks to schools, exceeding the end-of-project target by 154 percent. Although about 70 percent of the textbooks were delivered during the last six months of project implementation and

[17] World Bank. 2015. "Primary Education in Malawi. Primary Education in Malawi: Expenditure, Service Delivery and Outcomes." Washington, DC: World Bank Group.
[18] Stakeholders where girls' hostels were constructed indicate high appreciation for the hostels and their importance in keeping girls, from remote areas, in school.
[19] Head teachers and members of the SMCs and PTAs.
[20] Using the PTR regardless of qualification would yield even better results.
[21] The process involved a short induction course, on-the-job supervision, mentoring, continued training, and examinations before they were certified.

did not contribute to an improved learning environment during project implementation, their delivery to schools demonstrates the likelihood of an improved learning environment.

66. Although the pupil to classroom ratio shows a worsening trend from 100 to 127 (against the end-of-project target of 97), it should be recognized that improvements were eroded by the higher-than-predicted increase in primary school population during the course of the project. This population increase was much higher than in the previous years. This demonstrates the school infrastructure challenge in Malawi. The impact of floods on classrooms, high repetition and intake rates may also explain slow progress in improvement of the pupil to classroom ratio.

3.3 Efficiency

67. Efficiency is considered modest. The project activities were completed within the timeframe, comparative costs were very favorable, and the inputs were cost-effective, but with moderate shortcomings on account of implementation delays. The implementation delays were moderate since activities were completed within the project implementation period.

68. Available information suggests a comparatively lower unit cost of civil works by the EIMU at US$173 compared to classrooms financed by other agencies like the UNICEF at US$161, JICA at US$479, and Africa Development Fund at US$ 421. The move to community-based construction through the LDF led to substantial cost reduction (unit cost of US$107), with over 80 percent of construction undertaken by the LDF. This was achieved through the use of local artisans, a long-tested community construction modality. However, this high level of efficiency is moderated by the initial slow pace of construction by the EIMU and concerns about the low quality of initial classrooms constructed through the LDF approach. Improved supervision from both the districts and the LDF, and revision of the guidelines for recruitment of local artisans helped to quickly improve the quality of construction. A DFID-financed report from the 'Kalondolondo project', a consortium of three nongovernmental organizations, indicates that the assessment of the quality of construction was uneven across districts but averaged above the 'satisfactory' score. While there were inefficiencies resulting from delays in construction due to delays in release of funds and cost escalation in construction arising from interest charges by contractors as a result of delayed payments of their invoices, this mainly affected EIMU construction which comprised only about 20 percent of the construction.

69. The delivery of textbooks was undertaken with delays, resulting in over 70 percent of the textbooks being delivered during the last month of project implementation. This was counteracted by the significant number of textbooks procured (26.9 million) compared to the planned 9.8 million, at 81 percent of the planned budget, indicating a significantly lower unit cost and within the project implementation period. The unit cost of textbooks for standard 1 and standard 2 was US$0.60, for standards 3 to 8 it was US$0.36, while it was US$12.23 for secondary education textbooks. Although the unit cost for secondary education textbooks was high, the overall unit cost was US$1.12. Compared to other countries, the unit cost of primary education textbooks under the PIEQM was at the lower end while the unit cost for lower secondary textbooks was much higher.

70. Without the incremental investments of the project, the key indicators including pupil to classroom ratio, PTR (particularly for rural areas), and pupil to textbook ratio would have been significantly worse. The impact of the Primary School Improvement Program found improvement

in repetition and dropout rates although this is yet to be reflected in the PCRs. There were also institutional development results in strengthening planning and budgeting, enabling the sector to move from incremental to output-based budgeting and capacity for all schools to prepare school improvement plans against which grants are disbursed to address local needs.

71. Based on a discount rate of 7.6 percent for the benefits and costs stream, the net present value (NPV) is MK 57.9 billion. The internal rate of return (IRR) associated with this NPV is 26.9 percent.[22]

3.4 Justification of Overall Outcome Rating

Rating: Moderately Satisfactory

72. The project is considered to have a Moderately Satisfactory rating. This is based on substantial efficacy, substantial relevance, and modest efficiency. The evidence shows that the project has substantially achieved its stated objectives of increasing access and equity and enhancing the quality of the teaching and learning environment. Both the PDOs and design are relevant. The comparative costs were favorable and inputs were cost-effective, although shortcomings in efficiency on account of implementation delays detract from a substantial efficiency rating. While the project faced delays in its early stages, implementation accelerated in its final phases and all project activities were completed within the project period.

3.5 Overarching Themes, Other Outcomes, and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

73. The project placed emphasis on achieving greater equity both in access and quality of education. Indeed, this was an important part of the design and implementation. First, there was a comparatively higher increase in PCR in rural areas. Second, there was increase in availability of qualified teachers in rural schools. Third, there was support to construct girls' hostels to promote their access and retention in school. The girls' hostels were highly appreciated by communities as an intervention to help to increase enrollment and retention of girls. The ODL program helped to provide employment opportunities for rural youth.

(b) Institutional Change/Strengthening

74. The project made significant contribution to institutional strengthening of the education sector. In particular, the project:

- Strengthened the EMIS, including the decentralization of data collection. This has led to an improvement in the timeliness of data, although concerns over accuracy still remain. For example, dropout rates are under reported, and the EMIS reports an NER of over 100 percent.

- Strengthened capacity of schools for planning, budgeting, procurement, and involving communities in school activities. All schools are now preparing and implementing school improvement plans.

[22] See annex 3 for more details.

- Improved community awareness of issues leading to low learning outcomes and causes of dropouts which has helped to strengthen the focus on these issues at the local level.

- Some schools upgraded to full primary schools.

- Strengthened the capacity of the MoEST, divisions, and districts for planning and budgeting. The MoEST has moved from incremental to output-based budgeting and to link the budget to the PoW as well as a systematic link between the Education Strategic Plan, Education Sector Implementation Plan and budget.

(c) Other Unintended Outcomes and Impacts (positive or negative)

Not applicable.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

75. As part of the completion mission, the team carried out focus group discussions in six schools in the districts of Dedza, Salima, Chipoka, and Dowa. While these may not be representative, they provide a glimpse of beneficiary perceptions of project interventions. For that reason, the results are summarized below:

- Teachers, parents, and students reported improvement in school infrastructure and availability of teachers in rural areas.

- Head teachers and teachers perceived stronger involvement of parents and communities in the schools, contributing to school infrastructure, stronger focus on participation of disadvantaged students, and student welfare (including preparing school meals for students).

- Funds under the SIPs were used to purchase desks, doors for classrooms, plates and cups for school meals, exercise books, pencils, and hardcover books for teachers; construct additional pit latrines; and support disadvantaged students.

- There is improvement in enrollment and attendance in schools where classrooms had been constructed. They mentioned an improved appearance (‘image’) and therefore were less shameful to go to these schools.

- Parents and head teachers perceived improved teacher attendance in rural schools where teachers’ houses have been constructed.

- The ODL program helped to improve the availability of qualified teachers in rural schools, but also provided employment opportunities for rural youth.

76. Head teachers and parents were of the view that the following should have been done better:

- Training on school management and leadership should have been provided for head teachers.

- The SIP guidelines should be less prescriptive to enable schools to address their specific needs.

- Students' bursary funds should have been provided in a timely manner to reduce hardship.

- There is need for better sensitization of parents about the amount of cash transfer. Some parents thought that what was being provided was adequate and therefore did not provide any supplementation leading to frustration.

- Communities selected girls' hostel because they realized that many girls were walking long distances to get to school and those who rented rooms close to school were at risk of getting pregnant.

- The timing of selection of beneficiaries immediately at the start of Grade 1 may leave out the most vulnerable who delay reporting to school while searching for sponsors. These students are better known at the primary-school level than at the secondary-school level.

4. Assessment of Risk to Development Outcome Rating

77. The risk to development outcome is assessed as Moderate. The likelihood of not achieving the development outcome is Moderate overall for the following reasons. First, several risks identified at appraisal were Moderate during implementation and there are continuing efforts to address them. Second, the likelihood of not achieving the development outcome due to financial risks is Substantial. Malawi continues to be highly dependent on external aid and this makes it vulnerable to unpredictable aid flows and economic shocks. This situation is made worse by the recent financial mismanagement and misappropriation of funds through the GoM IFMIS which has eroded the credibility of the country's economic systems and resulted in an uncertain economic outlook. This would affect the continued funding of school grants, employment of adequate number of teachers, continued construction of classrooms in line with the growth of the school age population, and provision of bursaries and direct support to vulnerable students. However, government ownership remains high and policies continue to focus on the identified objectives. Government budget also prioritizes education. Education received the second-largest sector allocation, only surpassed by agriculture, in the 2014/15 national budget. Recurrent expenditure on primary education increased from 24.4 percent in FY2011/12 to 55.6 percent in FY2014/15. The government has put in place plans for incorporating aspects of the ODL program, for example, an extended practicum in schools into regular teacher training. There is a moderate social risk of rural teachers moving to urban areas. Moreover, there will be need for continued training of the SMCs and PTAs to ensure that the high turnover in these positions does not undermine the progress made so far.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality Entry
Rating: Moderately Satisfactory

78. Overall, the Bank's performance at preparation and appraisal was strong but with some minor shortcomings. The preparation was underpinned by sound technical analysis that also used a participatory approach involving the government, other DPs, and stakeholders. Clear PDOs, results chain, and institutional framework enhanced the project's prospects for achieving the PDOs. Furthermore, the team reviewed lessons from other projects and applied them to this project. As a result, the project's strategies appropriately responded to the needs of the sector, and ensured that both the objectives and design were relevant to the government, Bank, and FTI strategies. Potential adverse environmental and social impacts were identified and it was verified that the ESMF and RPF included adequate arrangements for mitigation and monitoring of the adverse impacts. Fiduciary aspects were also well prepared based on an assessment of capacities. An institutional capacity assessment for the sector was undertaken and interventions to ensure readiness for overall implementation and strategies for institutional strengthening that were ultimately critical for project success were put in place.

79. The M&E design was strong, including appropriate indicators with baseline and impact evaluations for two of the key interventions. However, the GER indicator was not appropriate and the target for pupil to classroom ratio was ambitious. Moreover, the EMIS could not generate reliable data for monitoring primary completion and the NERs in absence of reliable age-specific student data.

80. Although the risks and mitigation measures were appropriate, including a whole component dedicated to strengthening capacity, the risks associated with capacity to implement systemic improvements, in particular student assessment and teacher management reforms, was overestimated.

(b) Quality of Supervision
Rating: Moderately Satisfactory

81. The Bank team provided regular implementation support on technical and fiduciary aspects from the country office and carried out field visits to schools and met with key stakeholders. Aide memoirs show that several issues were identified and addressed in a timely manner. The Bank supervision missions included expertise to monitor and ensure that the measures identified in the ESMF and RPF were being implemented as agreed. Strong technical support was also provided on procurement of textbooks. The Bank was flexible and agreed to amend the Financing Agreement to allow for an additional agency, the LDF, to support school construction activities.

82. The Bank team was proactive in undertaking an in-depth FM assessment, following the 'cashgate', to ensure that funds are used for the purposes for which they were intended and with due regard to economy and efficiency. The team also worked closely with the government to identify the funding gap that arose following the withdrawal of funding by the pooled funding donors. There was close collaboration with other DPs and the team participated in the JSRs within

the framework of the JFA. However, the Bank team was not proactive in following up on the planned evaluations, student assessment, and implementation of the teacher management reforms, including a teacher management information system. Some of the indicators (for example, completion rate) were not monitored on a regular basis.

(c) Justification of Rating for Overall Bank Performance
Rating: Moderately Satisfactory

83. The overall Bank performance is rated Moderately Satisfactory on account of Moderately Satisfactory rating for both Quality at Entry and Quality of Supervision. The Moderately Satisfactory rating is based on the following.

84. There was thorough project preparation, supported by analytical work and strategic relevance, involving key stakeholders and DPs, and close collaboration with the government counterparts and attention to fiduciary, environmental, and social safeguards. There were regular supervision missions and field visits to schools to meet with stakeholders.

85. On the downside, the planned impact evaluations were not completed during the course of the project and therefore did not guide implementation or the design of the follow-up sector strategy, and some indicators were not monitored on a regular basis.

5.2 Borrower Performance

(a) Government Performance
Rating: Moderately Satisfactory

86. The government showed strong commitment to the project. The government provided additional resources following reduction in donor funding. The government increased the wage ceiling for the education sector to facilitate the recruitment of teachers to rural schools. Although this may not be a sustainable solution, it helped to bridge the teacher gap in rural areas. Moreover, implementation of the agreed priority activities continued even during the political and financial crisis.

(b) Implementing Agency or Agencies Performance
Rating: Moderately Satisfactory

87. The MoEST was the implementing agency since this was a SWAp. The MoEST showed strong commitment to the project, substantially achieved the PDO, and produced quarterly reports and a comprehensive annual Education Sector Performance Report, although some of the data used was not reliable. There was continued commitment to achieving the project objectives since these were at the core of the ESIP. The ministry developed an ESMF and RPF in compliance with IDA requirements and implemented the mitigation measures. However, there were delays in complying with FM covenants, low capacity, and limited coordination between various departments leading to delays in deployment of teachers in rural areas. There were also procurement delays.

(c) Justification of Rating for Overall Borrower Performance
Rating: Moderately Satisfactory

88. The Moderately Satisfactory rating for the borrower and its implementing agency is justified on the basis of achieving the PDOs, compliance with safeguards, but with a downside on FM, procurement, and inter-departmental coordination.

6. Lessons Learned

89. School grants can be an effective way of addressing problems of access and quality. Non-staff inputs acquired by schools under the Primary School Improvement Program, and the provision of personal needs such as school uniforms for disadvantaged students by school grants, played an important role in improving the internal efficiency of primary schools by reducing dropout and repetition rates. However, this depends on school-level capacity (the SMC and head teacher). Measures to ensure timeliness of receipt of funds by schools would enhance the impact of school grants.

90. The ODL can be a quick and efficient way of improving availability of teachers in rural or remote areas, but the approach should be more comprehensive to achieve this objective. Provision for wage bill, inter-departmental coordination, and a functioning personnel management system are necessary to ensure that teachers are recruited and deployed to areas where there are shortages. The recruitment of ODL graduate teachers following their training was delayed due to a constrained wage bill while some schools had small class sizes. Once the teacher wage bill was raised, ODL graduate teachers were recruited to rural schools.

91. Pooled funding mechanisms are useful for encouraging a more holistic and effective approach to addressing sector challenges. The pooled fund account should be set up in such a way that can facilitate auditing. In this case, auditing was made difficult by using a system that was not activity based, and this made auditing difficult.

92. Although the NER and PCR are usual measures of project outcomes, they may not work in situations where the age-specific data for the school-going population is not readily available. This underscores the importance of careful consideration of data quality and collection modalities while determining outcome indicators.

93. The timeframe of three years for the GPE funding is too short to facilitate full implementation of activities or even make an impact on the outcome indicators. The GPE funding had to be extended twice to allow for completion of the project activities.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

Not applicable.

(b) Cofinanciers

Not applicable.

(c) Other partners and stakeholders

Not applicable.

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in US$, millions equivalent)

Components	Appraisal Estimate (US$, millions)	Actual/Latest Estimate (US$, millions)	Percentage of Appraisal
1.1 Construct and upgrade education facilities	70	69.9	100
1.2 Provide direct support to disadvantaged children	26	12	46
2.1 Provide textbooks and learning materials	48	49.6	103
2.2 Train teachers through ODL	11	37.7	342
3.1 Support teacher management reform	9	8.6	96
3.2 Support SIP	69	30.9	45
3.3 Strengthen planning and budgetary management	12	5.4	45
Total Baseline Cost	245	214.1	83
Price/Physical contingencies	11	–	–
Total Project Costs	256	214.1	83.6
Project Preparation Fund	–	–	–
Total Financing	–	–	–

(b) Financing

Source of Funds	Appraisal Estimate (US$, millions)	Actual/Latest Estimate (US$, millions)	Percentage of Appraisal
IDA	50	50	100
FTI	90	90	100
UK (DFID)	90	40.1	45
Germany/KfW	25	7.5	30
UNICEF	1	0.75	75
Borrower[23]		25.75	
Total Pooled Partner Funding	**256**	**214.1**	73

[23] The PAD did not include a specific amount for borrower financing.

Annex 2. Outputs by Component

1. The project achieved the following outputs under its components.

2. The project comprised three components: (a) improve access and equity; (b) improve teaching and learning environment; and (c) improve management capacity at all levels.

Component 1: Improve Access and Equity (US$96 million)

3. The objective of this component was to promote the goal of universal primary completion through (a) expansion of physical facilities and (b) targeted secondary school bursary packages to decrease the gap in equitable access.

4. **Subcomponent 1.1: Construct and upgrade education facilities (US$70 million).** This subcomponent was to finance (a) the update of the 2001 school mapping exercise and (b) the construction, rehabilitation, and upgrade of a wide range of education facilities for pupils and teachers, particularly in areas where inadequate physical infrastructure hinders school attendance by marginalized children.

Table 2.1. Component 1. Final Outputs

Original Output	Original Output Indicators	Final Output
Subcomponent 1.1: Construct and update education facilities	Update school mapping	Completed
	Construct 3,000 classrooms	Constructed 2,936 classrooms
	Build 11 boarding facilities	Built 14 boarding facilities
	Construct teachers' houses (target not indicated)	Constructed 397 house
	Provision of water and sanitation (target not indicated) facilities	• 1526 VIP latrines • 155 ablution blocks
		76 school administration blocks
Subcomponent 1.2: Provide direct support to disadvantaged children	• Provide transfers to 315,000[24] children • 94 percent of children receiving grants still in school	• 70,052 bursaries • 10,325 cash transfers
	Impact evaluation	Not completed

5. **Subcomponent 1.2: Provide direct support to disadvantaged children.** This component envisaged to increase participation of marginalized students in basic education under the PIEQM through financing (a) secondary school bursary packages (that is, tuition, textbooks, and exam fees) and stipends; (b) development and implementation of communication strategy; and (c) a

[24] This was an error in the Results Framework as the number would have been 75,000 if the project had supported 15,000 in the first year and added 15,000 per year while continuing to support those who received support in the earlier years.

rigorous evaluation to identify incentive packages that are cost-effective and lead to improvement in school participation and outcomes.

Component 2: Improve the Teaching and Learning Environment (US$59 million)

6. This component was designed to improve the quality of the teaching and learning environment by financing the (a) provision of pedagogic aids for pupils and teachers and (b) the implementation of an ODL program which provides a high-impact, time-bound solution to address the PQTR of 91.5:1.

7. **Subcomponent 2.1: Provide textbooks and learning materials (US$48 million).** This subcomponent was designed to support the following: (a) printing and distribution of textbooks and learning materials and (b) provision of pedagogic aids including textbooks, libraries, computers, and audio/visual aids for basic education.

Table 2.2. Subcomponent 2.1 Final Output

Original Output	Original Output Indicators	Final Output
Subcomponent 2.1: Provide textbooks and learning materials	9,800,000 textbooks purchased and distributed	• 24,887,787 textbooks procured and distributed to schools • 287,600 learner textbooks • 69,120 supplementary books • 869,469 atlases
	Provision of pedagogic aids for basic education	1,020,777 slates, 869,469 atlases, 329,738 boxes of chalk, 293,101 dusters, 220,000 schemes and records of work books, 15,000 registers, 329,738 chalk boxes, 293,101 dusters, 12,000 Primary School Improvement Program guideline books, 60 motorbikes, and 4 computers and printers

8. **Subcomponent 2.2: Train teachers through ODL (US$11 million).** This subcomponent was designed to improve the number of qualified teachers in basic education by supporting the implementation of an ODL program with three annual intakes of 4,000 students a year. This subcomponent financed the (a) printing and distribution of ODL materials; (b) supervision of ODL students through procurement of vehicles; (c) upgrade of TDCs and a TTC so that the ODL can be delivered more effectively through them; and (d) evaluation of the effectiveness of the ODL to improve education quality in underserved communities. This training would reduce disparities in the PTRs between urban and rural areas through local recruitment of the ODL student teachers to schools that have acute shortage.

Table 2.3. Subcomponent 2.2 Final Output

Original Output	Original Output Indicators	Final Output
Sub component 2.2: Train teachers through ODL	• 12,000 additional teachers qualified (ODL) through local recruitment and training of ODL student teachers • PIEQM evaluation of the usefulness of the ODL	• 23,550 teachers trained through local recruitment of ODL student teachers to schools that have acute shortage

Original Output	Original Output Indicators	Final Output
	• Procurement of vehicles and motorcycles for supervision of ODL students	• 220 motorcycles
	• Printing and distribution of ODL materials	• 840,000 study modules • 28,000 program handbooks • 28,000 orientation manuals
	• Upgrade of TDCs and TTCs so that the ODL can be delivered through them	• Not implemented

Component 3: Improve Management Capacity at All Levels (US$90 million)

9. This component was designed to support key reforms in the education sector that will ensure that the planned interventions translate into improved access, equity, and quality. It was to support improvement of teacher management, accountability, quality assurance, and monitoring school improvement of planning and strengthening planning and budgetary management within the context of a decentralized process.

10. **Subcomponent 3.1: Support teacher management reform (US$9 million).** This subcomponent was designed to address systemwide constraints in teacher management by financing the following: (a) implementation of a program of activities to support continuous professional development and teacher management and (b) development of an integrated HRMIS.

Table 2.4. Subcomponent 3.1 Final Output

Original Output	Original Output Indicators	Final Output
Activities to support continuous professional development and teacher management	Implementation of plans for teachers' professional development	Implemented some professional development activities but not in a systematic way
Develop and implement an HRMIS	Development and implementation of an integrated HRMIS (software design, computer hardware, capacity building through training, and training in utilization of the system at the district level)	An assessment was undertaken. Information about teachers is captured as part of the government-wide HRMIS centralized at the Department of Public Service Management. The system is managed by the MoEST at the center.

11. **Subcomponent 3.2: Support SIP (US$69 million).** This subcomponent was designed to improve education service delivery by increasing the flow of resources to the school level by financing (a) training for all public school personnel, the SMCs, and PTAs in planning, FM, and

accountability to produce school improvement plans and budget and (b) provision of school grants to deliver the plans.

12. All public schools (100 percent) in 34 districts prepare school improvement plans against which school grants are disbursed.

13. Capacity-building activities for all key stakeholders, including the DEMs, zonal education advisors, primary education advisors, head teachers, deputy head teachers, the SMCs, PTAs, and mother groups were conducted. Capacity building focused on roles and responsibilities, school improvement plan development, implementation and monitoring, FM, procurement, and budgeting.

14. Grants are used to cover school-specific needs, including procurement of teaching and learning materials (for example, chalk), support to orphans and other vulnerable children, payment of salaries for teacher assistants for those schools with high pupil to teacher ratios, pens, exercise books, flip charts, continuous professional development, and construction or maintenance of sanitation facilities, classrooms, and teachers' houses.

15. A recent national evaluation of the PSIP found that the MoEST's processes under the PSIP are effective and that schools are effectively using their resources and the quality of school management has improved considerably. The PSIPs have helped to improve community participation and management at the school level, particularly in the areas of finance and procurement, while PTAs and mother groups hold school management teams accountable.

Table 2.5. Subcomponent 3.2 Final Output

Original Output	Original Output Indicators	Final Output
Training for public school personnel, SMCs/PTAs in planning, FM, and accountability to produce annual school improvement plans and budget	Three rounds of training undertaken for school personnel and CMCs/PTAs focusing on developing school improvement plans, monitoring, and FM	1,462 head teachers were trained in school management
School grants conditional on an approved school improvement plan and budget by DEM, scaled up to all primary schools	–	School grants scaled up to cover all schools in 34 districts
		1,462 head teachers were trained in school management
		Finance staff in six divisions received intensive training on IFMIS
		50 accounts personnel and budget officers from the MoEST and districts received training on IFMIS

16. **Subcomponent 3.3: Strengthen planning and budgetary management (US$12 million).** Within the context of the decentralization process, this subcomponent was designed to finance activities to strengthen the capacity of the district and central levels to provide planning, financial, and technical oversight based on a Capacity Development Strategy for education. Capacity-building activities were to include (a) upgrade of certification and implementation of divisional refresher workshops for staff in FM and procurement at all levels; (b) M&E of the SWAp; and (c) improvement of education planning capacity building at the central and district levels based on the strategies prepared by JICA and USAID.

17. Education officials at the MoEST and districts were trained in education planning, finance, and economics.

18. District and division staff trained on budgeting, policy, and planning. This training has helped to build capacity to move from incremental to output-based budgeting and to link the budget to the PoW. There is now a systematic link between the NESP, ESIP, plan of work, and the budget.

19. Payment of salaries and all payroll processes for primary and secondary school teachers in six education divisions has been decentralized.

20. Finance staff in all six divisions received intensive training on the IFMIS, and computers and servers were provided.

21. A total of 50 accounts personnel and budget officers from central MoEST, divisions, and districts attended refresher courses on the management of the IFMIS in FY2012/13 and FY2013/14.

22. The MoEST Finance and Procurement Units were supported by a technical advisor for a period of two years and this helped to build their capacity in preparation of Financial Management Reports.

23. Procurement officers in the 34 districts were trained on procurement of instructional materials and other education-related procurement activities. This training facilitated the implementation of the PSIP.

Table 2.6. Subcomponent 3.3 Final Output

Original Output	Original Output Indicators	Final Output
Strengthen capacity at the central and district levels to provide planning, financial, and technical oversight (certification and refresher workshops for FM and procurement at all levels) M&E of the SWAp, including baseline data collection and training on the EMIS	•	1,462 school head teachers trained on school management
	•	Staff in all cost centers were trained on medium-term expenditure and budgeting. Five MoEST headquarter staff trained on FM.

Original Output	Original Output Indicators	Final Output
	Learning assessment system in place	One assessment was undertaken by UNICEF
	100 managers trained in strategic planning, budgeting, and reporting	2,100 managers trained

Annex 3. Economic and Financial Analysis

1. This annex presents the results of the economic and financial analysis of activities implemented under the PIEQM. The analysis specifically focused on (a) the cost-effectiveness of activities under the PIEQM; (b) the costs and benefits of activities under the PIEQM; (c) the efficiency of project implementation; and (d) fiscal sustainability.

2. Overall, the team found that the PIEQM has been implemented in a cost-effective manner, particularly for classroom construction and purchasing of primary school textbooks. In addition, at the secondary level, looking at costs and benefits of the activities which supported disadvantaged students with bursary/cash transfer programs, the team found that the project yielded significant economic returns. Furthermore, the team found that given the government's high priority of education and the DPs' support, sustainability risks are reduced. Although the project made significant progress near the closing date of the project, inefficiency in project implementation was observed during the project.

I. Cost Effectiveness of Activities under the Project

Unit cost analysis of classroom construction

3. The PIEQM financed the expansion of physical facilities as a key supply-side intervention under Component 1 to promote the NESP goal of universal primary completion. The team found that the construction of schools under the PIEQM was cost-effective in comparison with other similar projects in Malawi, and school construction in a number of other African countries.

4. School construction under the PIEQM was managed by the EIMU and the LDF. A total of 2,936 classrooms have been constructed against an end-of-project target of 3,000, representing 97.8 percent achievement. Out of these, 2,614 have been constructed by the LDF and 322 by the EIMU. The team observed initial delays of implementation and inefficiencies, including concerns about the quality of classrooms constructed initially through the LDF approach and the initial slow pace of construction by the EIMU.

5. While there were inefficiencies resulting from delays in construction due to delays in release of funds, escalation in the cost of construction arising from interest charges by contractors as a result of delayed payments of their invoices, this mainly affected EIMU construction which comprised less than 20 percent of the construction.

6. The team conducted a robust unit cost analysis of school construction based on the available data as of March 2015 to measure the cost-effectiveness of the project's support for school construction.[25] Overall finding is efficiency is substantial in comparison with similar school construction projects in Malawi and in other Sub-Saharan Africa (SSA) countries.

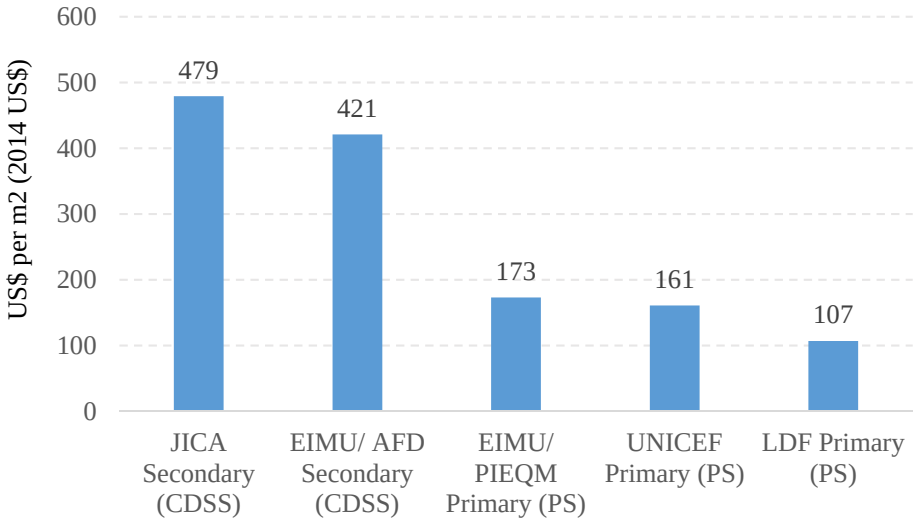
[25] This unit cost analysis of classroom construction was conducted based on the information available as of March 2015. After this study, 106 classrooms were constructed before the project closing date. However, the team does not think this would impact the overall unit cost analysis, considering most of the classroom construction was completed before this study was conducted (more than 96 percent of total classrooms constructed were completed before March 2015).

Comparison with other classroom construction projects in Malawi

7. The team first conducted a broader classroom cost-effectiveness analysis, by comparing the cost performances of the PIEQM with three other projects in Malawi: (a) the Fifth African Development Fund Project; (b) primary classroom construction managed by UNICEF; and (c) secondary classrooms financed by JICA, using the same methodology to define unit costs.

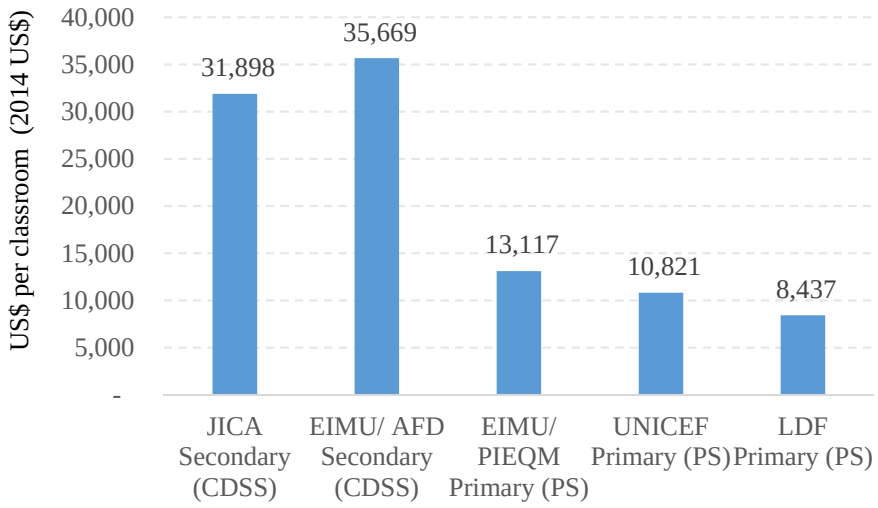
8. The comparison between unit costs per classroom of the various projects/DPs' operation in Malawi shows that the LDF outperforms other implementers in school construction. While figure 3.1 compares unit cost per m^2, figure 3.2 compares costs of classrooms that are highly depending of the classroom size. With regard to unit cost per m^2 of classrooms under primary school construction, the LDF is the best performer with US$107 per m^2. Unit cost per m^2 for UNICEF and EIMU/PIEQM are 50 and 60 percent more expensive (US$161 per m^2 and US$173 per m^2, respectively).

Figure 3.1. Unit Cost per m^2 of Classrooms Financed/Managed by Four Projects in Malawi in 2009–14 (in US$, 2014)



Source: Theunynck 2015.

Figure 3.2. Unit Cost per Classroom Financed/Managed by Fours Project in Malawi in 2009–14 (in US$, 2014)

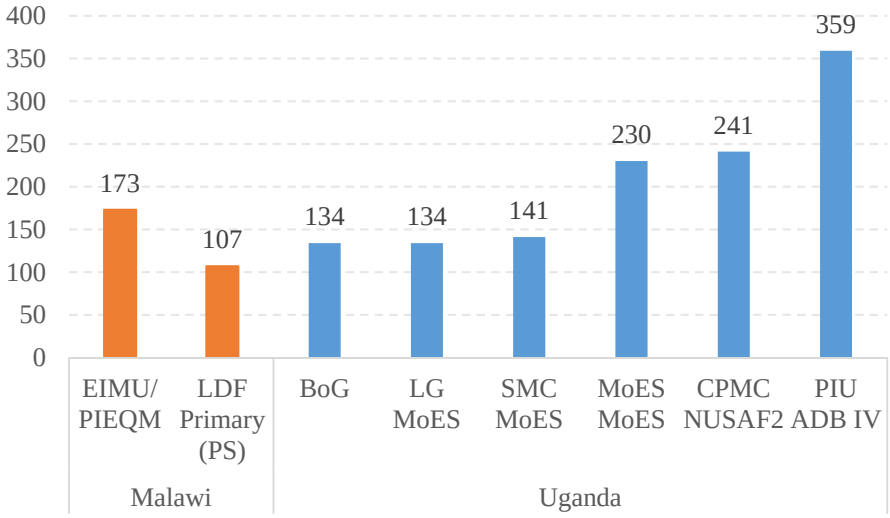


Source: Theunynck 2015.

Comparison with some SSA countries cases

9. The team also compared unit cost of classroom construction in two other countries: Uganda and Madagascar. These two countries were selected among other countries in SSA where detailed and recent unit cost analysis is available and because they are in the same range of economic development, facing comparable education challenges, and currently enjoying a peaceful social situation. The team revealed that communities in Malawi, working within the LDF implementing arrangement with PIEQM funds, performed equally to better than communities in other countries when they are empowered to manage school construction and are the best performers compared to any other implementer.

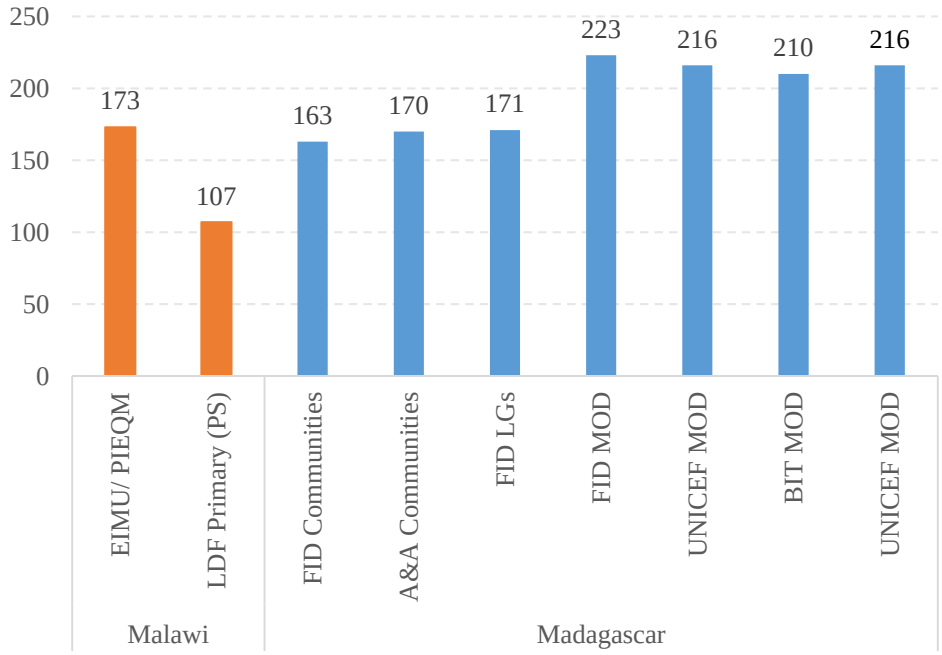
Figure 3.3. Comparison of Unit Costs in Uganda (in 2012 US$) and Malawi (in 2014 US$)



Source: Created based on Theunynck 2015.

10. Uganda has comparable demographic characteristics to Malawi, and similar comparability also encompasses environmental aspects. It is also a landlocked country with comparable difficulties in accessing imported construction materials. Uganda is currently achieving universal primary education and now embarking to address the challenge of universal lower-secondary education. Figure 3.3 provides a classroom unit cost comparison in 2012 at the end of the Uganda Post Primary Education and Training (UPPET) Project. In this project, the Ugandan Ministry of Education and Science delegated the management responsibility to build lower secondary schools to the schools through their Boards of Governors (BoGs) and School Construction Management Committees. This community-driven development-type approach was successful with regard to effectiveness and cost-effectiveness. In the UPPET Project, school BoGs achieved the construction of more than 800 classrooms at an average unit cost of US$134 per m^2 (in 2012 US$), corresponding to US$137 per m^2 in 2014 (actualization coefficient 2.3 percent). Figure 3.3 also shows that the range of unit costs in Uganda is wide across projects/DPs. An IDA-financed social fund (Northern Uganda Social Action Fund) comparable to the Malawian LDF performed lower than the UPPET with regard to cost; however, its higher unit cost is largely explained by the post-conflict situation of Northern Uganda where the Northern Uganda Social Action Fund operates (Theunynck 2015). In conclusion, with US$107 per m^2, the Malawian LDF/PIEQM outperformed the best performer in Uganda (the BoGs with US$137 per m^2).

Figure 3.4. Comparison of Unit Costs in Madagascar (in 2012 US$) and Malawi (in 2014 US$)



Source: Created based on Theunynck 2015.

11. In 2007–2009, Madagascar implemented a large school construction program split between three implementing approaches: delegation to the contract management agency, to the local governments, and to school communities. The country has a large territory (eight times that of Malawi, with a population dispersed in small villages scattered in a mountainous environment with little road connection, often isolated from the closest road by several rivers). Education has been

long-supported by the UNICEF and International Labour Organization through contract management services for the construction of school facilities. In parallel, since 2001, an IDA-MASAF was supporting either communities or local governments to finance basic local social infrastructures such as schools. In 2007–2009, with funds from the FTI, the Ministry of Education implemented a school construction program through three parallel implementation approaches: (a) delegation to United Nations agencies acting as contract management agencies, (b) delegation to local government (communes), and (c) delegation to school communities (namely the PTAs). The program started implementing under Bank administration in 2009, and continued under UNICEF administration when the political situation stopped the Bank from supporting the country. UNICEF commissioned a review of all these projects in 2012 (Theunynck 2012). Figure 3.4 shows that the direct unit cost of classrooms managed by school communities average US$163 per m^2 (in 2012 US$). The team found there is a wide range of unit costs depending on the implementing agency, and communities outperformed all other actors in the country for school construction. Figure 3.4 shows that communities in Malawi perform much better than their pairs in Madagascar (US$107 per m^2 vs. US$163 per m^2).

Unit cost of textbook procurement

12. The project also supported the purchase of textbooks under Component 2. The project provided a total of 27 million textbooks (more accurately, 26,937,976 textbooks) compared to the planned 9.7 million textbooks at the beginning of the project. This is close to three times the planned number. There was significant improvement in pupil to textbook ratio from 2.6:1 to 1.1:1 for standard 3 English, from 2.1:1 to 1.1:1 for standard 3 mathematics, and from 1.7:1 to 1.01:1 for standard 7 English and from 1.5:1 to 1.1:1 for standard 7 mathematics. There were long-standing delays in the procurement of textbooks, with over 70 percent of the textbooks delivered during the last month of project implementation.

Table 3.1. Unit Cost Comparison in the PIEQM (in US$)

Total	Primary (Standards 1 and 2)	Primary (Standards 3 to 8)	Secondary
1.12	0.60	0.36	12.23

Source: Calculated by the team based on the government Implementation Completion Report (ICR).

13. Table 3.1 compares unit cost of textbooks by education level (primary and secondary) and in total. Unit cost for textbooks for standard 1 and standard 2 is US$0.60 and unit cost for standards 3 to 8 is US$0.36 while it is US$12.23 for secondary education textbooks. Although the unit cost of secondary education textbook is high, overall unit cost is US$1.12. This is because most of the textbooks the government purchased during the project are for primary education with a lower unit cost.

14. To see the cost-effectiveness of purchasing textbooks under the PIEQM, the team benchmarked with unit costs for textbooks in other countries. For instance, in the case of Guinea, the Bank-financed project provided textbooks for primary school core subjects at an average unit cost in the amount of US$1.4. For middle schools, the average unit cost per textbook was US$1.9 (Guinea ICR). Another example is The Gambia. The operation provided a total of 565,058 textbooks and teachers' guides for grades 5 and 6 and 180,146 for grades 7 through 9 at a unit cost

of US$0.60 (The Gambia ICR). Compared to these other countries, unit cost for primary education textbooks under the PIEQM is at the lower end while unit cost for secondary textbooks is much higher.

II. Cost Benefit Analysis

15. During the appraisal stage of the project, cost-benefit analysis was not conducted. The PAD for the PIEQM indicates that "A rigorous cost-benefit analysis of this program is not feasible. While it can be straightforward to obtain estimates for private economic returns to education, credible estimates of the social economic returns, which are necessary for public investment analysis, are elusive. It is also very difficult to quantify positive non-monetary externalities from education. Furthermore, the expected outcomes from education projects are long term and are difficult to attribute to a specific intervention. Nevertheless, based on the international evidence and the micro empirical evidence for Malawi, the potential benefits of this program can be expected at both the individual and the social level." (PAD, page 104). The challenge of the robustness of the analysis remains the same in this ICR; however, the team tried to estimate costs and benefits associated to specific activities under the project based on the available data, and with reasonably acceptable assumption. Also, the estimated results of this analysis could be conservative because some potential benefits are not included in the analysis such as monetary benefits accrued from those who would pursue higher education and vocational training after the completion of secondary education. The analysis does not account for other potential benefits including the social benefits of education, either.

16. The project supported three areas: (a) improving access to and equity of education through a mix of demand- and supply-side interventions; (b) enhancing the teaching and learning environment by providing the necessary learning materials and increasing the corps of teachers through ODL; and (c) improving institutional and management capacity through supporting reform in teacher management and devolving school planning and development to the local level, while improving capacity at all levels of the GoM. Since it is difficult to quantify or monetize the benefits of quality enhancement and capacity building, the analysis focused on the first area of intervention, increasing access by school construction and providing bursaries/cash transfer programs.

17. The project allocated US$12 million to provide direct support to disadvantaged children. The project provided bursary packages to a total of 26,017 secondary school students and cash transfers to a total of 10,325 students, and 99 percent of these students are still in school.[26]

[26] In secondary school, bursary packages were planned to be provided for approximately 1,000 schools with an average of 15 students per school per year. As in primary school, recipients planned to be chosen in the first year of lower secondary school (Form 1) and continue to receive the package throughout secondary school. For secondary applicants, the Primary School Leaving Certificate of Education scores also plan to be taken into consideration. The scholarship size amount has been adopted following existing Bank and USAID standards for interventions in Malawi. Stipends for needy students of approximately US$5 per month will also be piloted and rigorously evaluated for scale-up. The stipends planned to be used will cover basic education costs such as costs of transportation to school, uniforms, toiletries, and learning material for secondary school student (PAD). Package of secondary school bursary package (original plan) planned to include textbook fee, tuition fee, general development fund, development fund ID card, and Malawi School Certificate of Education exam fee. Due to unavailability of data, it was difficult to obtain detailed data of expenses relevant to these programs.

18. Assumption for the cost-benefit analysis are following:

Assumption

- Costs include direct project costs (bursary and cash transfer programs provided under the project) and private costs (private contribution to education and opportunity cost of forgone income during schooling).

- Direct costs cover student fees, books, and travel. Direct cost for students was calculated based on the third Integrated Household Survey (IHS3) data; however, it could be overestimated because such expenses were partially covered by the project, and it is assumed that actual direct costs for students are less than what was calculated based on IHS3 data.

- Opportunity cost represents a loss of productive capacity measured as a loss of earning for the individual that enroll for secondary education. It assumes that a student would otherwise not be idle or unemployed.

- The benefits were estimated from IHS3 data. Benefits of the project are estimated by increase in the number of graduates from secondary schools and by higher productivity and lifetime earnings. The salary of the graduate does not vary during the year. The estimated wages were computed based on IHS3, and the wage levels were projected to account for inflation for future years.

- Those who benefited from bursary and cash transfer programs through secondary education do not drop out from schools.

- The number of beneficiaries of bursary programs is 26,017, and the number of beneficiaries of cash transfer programs is 10,325.

- Exchange rate used in this analysis is US$1 = MK 400.

- The assumed inflation rate is 7.6 percent (a rate at the end of FY2011). This is used as discount rate for the analysis.

- Wage premium/annual increase of salary is 1.5 percent.

- All graduates from secondary education are employed after graduation. There is no unemployment period between graduation and retirement.

19. Based on the discount rate of 7.6 percent for the benefits and costs stream mentioned above, the NPV is MK 57.9 billion. The IRR associated with this NPV is 26.9 percent.

20. **Sensitivity analysis.** Table 3.2 shows the IRRs based on different scenarios. For instance, if the employment ratio of a graduate drops to 50 percent from 100 percent of the base scenario, the IRR decreases to 19.4 percent from 26.9 percent (base scenario). These results suggest that the project yielded significant economic returns and thus was a sound investment. There are

conservative lower-bound estimates, given that they do not account for other potential benefits including the social benefits of education. The total economic and social impact of the project is likely to substantially exceed the economic benefits, which are nonetheless considerable.

Table 3.2. Results of the Sensitivity Analysis

Scenario	Change	NPV (MK, millions)	IRR (%)
Base	No change	57,917	26.9
Decrease of secondary school graduates' employment rate	100% to 50%	26,534	19.4

III. Efficiency of Implementation

21. During project implementation, there were inefficiencies, including extended delays in construction and procurement of instructional materials. There were also delays in release of funds leading to cost escalation in civil works. The delay of implementation was also observed in procurement of textbooks. Over 70 percent of the textbooks were delivered during the last month of project implementation. However, the project made major progress at the final stage of the project.[27]

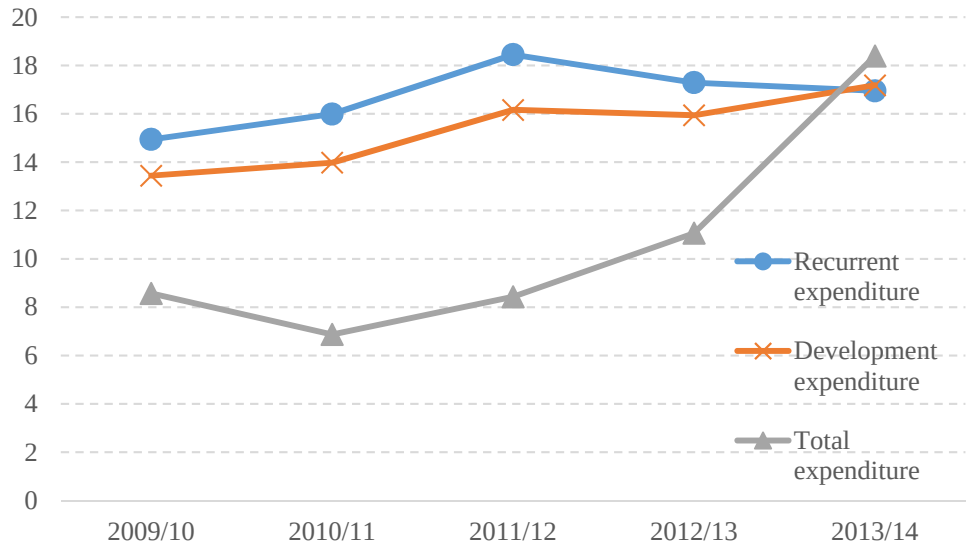
IV. Fiscal Sustainability

22. The GoM has prioritized the education sector. The GoM allocates close to 18 percent of its total budgetary resources to the education sector. In the 2014/15 national budget, education received the second-largest sector allocation, surpassed only by agriculture. The share of resources allocated to education through the national budget has risen from less than 15 percent five years ago (Figure 3.5).

23. The DPs continue to remain involved in contributing important investment expenditures such as the proposed new GPE Program, which would reduce the sustainability risks in the education sector in Malawi. Regarding the PIEQM specifically, the MoEST has reached an agreement with the DFID to finance the completion of the classrooms which were not yet completed in the PIEQM project period.

[27] The team noticed that the local currency (Malawi kwacha) has lost substantial value against the U.S. dollar over the project implementation period (MK 150 per U.S. dollar in June 2010 to MK 450 per U.S. dollar in June 2015). This might have made the project more efficient because the project could have used less U.S. dollar than planned. However, the team considered it difficult to actually measure how this affected the project's overall efficiency because several factors need to be taken into consideration to measure it, such as timing of expenses, cost of construction materials, currencies used for purchasing goods, and inflation rate.

Figure 3.5. Share of Education in Government Budget (%)



Source: Created by the team based on Ravishankar et al. 2015.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Luis Benveniste	Practice Manager	GEDDR	Lead Education Specialist
Simon B. Chenjerani Chirwa	Senior Procurement Specialist	GGODR	Procurement
Sameena Dost	Senior Counsel	LEGES	Senior Counsel
Muna Salih Meky	Senior Education Specialist	GEDDR	Human Development Specialist
Ana Ruth Menezes	Senior Education Specialist	GEDDR	Education Specialist
Francis Kanyerere Mkandawire	Financial Management Specialist	AFTME - HIS	FM
Mohammad Nadeem	Legal Analyst	LEGAM	Paralegal
Carlos A. Rojas	Senior Education Specialist	GEDDR	Team Leader/Senior Education Specialist
Riham M. E. Shendy	Senior Economist	GFMDR	Young Professional
Cheikh A. T. Sagna	Senior Social Development Specialist	GSURR	Social Scientist Specialist
Berk Ozler	Senior Economist	DECPI	Economist
Supervision/ICR			
Lungiswa Thandiwe Gxaba	Environmental Safeguards Specialist	GFA13	Environmental Safeguards
Ana Ruth Menezes	Senior Education Specialist	GEDDR	Education Specialist
Marie-Helene Cloutier	Economist	GEDDR	Economist
Mark F. LaPrairie	Senior Education Specialist	GEDDR	Education Specialist
Muna Salih Meky	Senior Education Specialist	GEDDR	Team Leader/Education Specialist
Harriet Nannyonjo	Senior Education Specialist	GEDDR	Team Leader/Education Specialist
Owen Ozier	Economist	DECHD	Economist
Carlos A. Rojas	Senior Education Specialist	GEDDR	Senior Education Specialist
Cheikh A. T. Sagna	Senior Social Development Specialist	GSURR	Senior Social Development Specialist
Jamil Salmi	Consultant	GED03	Education Economist
Deepa Sankar	Senior Education Economist	GEDDR	Team Leader/Education Economist
Trang Thu Tran	Economist	GTCDR	Economist/Private Sector
Christin McConnell	E T Consultant	GEDDR	IE Field Coordinator
Celia A Dos Santos Faias	Program Assistant	GEDDR	Administration Support
Simon B. Chenjerani Chirwa	Senior Procurement Specialist	GGODR	Procurement
Deliwe Ziyendammanja	Team Assistant	AFMMW	Administration Support
Steven Maclean Mhone	Procurement Specialist	GGODR	Procurement
Trust Chamukuwa Chimaliro	Financial Management Specialist	GGODR	FM

(b) Staff Time and Cost

Stage of Project Cycle		Staff Time and Cost (Bank Budget Only)	
		No. of Staff Weeks	US$, thousands (including travel and consultant costs)
Lending			
	FY09	29	111.37
	FY10	44	198.9
	Total	**73**	**310.27**
Supervision/ICR			
FY	**FY11**	28	117.7
	FY12	30	109.8
	FY13	26	127.3
	FY14	20	93.2
	FY15	43	216.9
	FY16	5	31.4
	Total	**152**	**696.3**

Annex 5. Beneficiary Survey Results

Not applicable.

Annex 6. Stakeholder Workshop Report and Results

Not applicable.

Annex 7. Summary of Borrower's ICR

Project Design, Original Project Development Objectives (PDO), and Key Indicators

1. The modality of support was to be channeled within the framework of a SWAp, which was agreed through an MoU and a JFA with the ministry and all the partners that support the education sector so that the support is provided in a more coordinated and harmonized fashion. It was envisaged that the Bank's involvement in the SWAp would improve the Bank's efficiency in support of the NESP, and would help reduce transaction costs for the government, in line with the Paris Declaration on Aid Effectiveness. The Bank's global experience in the management of SWAps, its experience with education reforms in low-income countries, and its expertise in fiduciary management was envisaged to support the needed technical and fiduciary expertise essential for an effective SWAp. Furthermore, an analysis of financing requirements for activities on primary and secondary education had shown that the Bank financing continued to be required by the country to achieve the objectives of the education quality objectives. The operation was thought to contribute to the attainment of two MDGs: (a) Goal 2: achieving universal primary education and (bi) Goal 3: promoting gender equality and empowering women. The operation was also envisaged to support the government's MGDS, which underscores the role of education in economic growth.

2. The PDO was to increase access and equity and enhance quality of the teaching and learning environment in basic education. The project was designed with three components that were to achieve the specified results: (a) improve access and equity, (b) improve the teaching and learning environment, and (c) improve management capacity at all levels.

3. The causal effect generated by these interventions would in the long term improve learning outcomes, retention, and the completion rate and thus move toward the MDGs and government goals. The following key indicators were established to measure progress toward achievement of the project objectives as shown in table 7.1.

Table 7.1. Activities and Indicators under Each Component

Outcome Indicator	Indicators
Component 1: Improve access and equity **(US$96 million)**	
Subcomponent 1.1: Construct and upgrade education facilities (US$70 million)	Number of classrooms constructed
Subcomponent 1.2: Provide direct support to disadvantaged children (US$26 million)	Number of pupils with access to bursaries and social cash transfers
Component 2: Improve the teaching and learning environment **(US$59 million)**	
Subcomponent 2.1: Provide textbooks and learning materials (US$48 million)	Number of textbooks purchased
Subcomponent 2.2: Train teachers through ODL (US$11 million)	Additional teachers trained through ODL, printing and distribution of ODL materials, vehicles procured for ODL, TDCs upgraded, TTCs upgraded, new TTCs constructed, evaluation of the effectiveness of ODL conducted

Outcome Indicator	Indicators
Component 3: Improve management capacity at all levels **(US$90 million)**	
Subcomponent 3.1: Support teacher management reform (US$9 million)	Assessment of teacher management system; agreed upon teacher management strategy with plan for recruitment, deployment, supervision, and promotion of teachers; satisfactory implementation of agreed upon teacher management strategy for recruitment, training, deployment, inspection, and career progression outlined in the action plan; HRMIS in place; implementation of plans for teacher professional development
Subcomponent 3.2: Support SIP (US$69 million)	Primary schools with personnel and SMCs/PTAs trained in planning, FM, and accountability to produce annual school improvement plans and budget; primary schools with strategic and annual work plans and budgets in place; schools receiving school grants
Subcomponent 3.3: Strengthen planning and budgetary management (US$12 million)	Management trained in strategic planning and reporting; staff trained in FM and procurement; staff trained and equipment purchased for M&E of the SWAp; staff trained in improving education planning capacity at central and district levels

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and Reasons/justification:

Not applicable.

1.4 Main Beneficiaries

4. The main beneficiaries were the pupils in all primary and secondary schools in the country through the provision of adequate classrooms, teaching and learning materials, qualified teachers, and supporting the PSIP. However, teachers were another group of beneficiaries, being trained through the funded ODL Program, a teacher management reform to motivate teachers and the upgrade of the TTCs and TDCs. Education managers at different levels were also beneficiaries through strengthened management capacity.

1.5 Original Project Components

5. The PIEQM comprised three components as follows:

- **Component 1: Improve Access and Equity (original: US$96 million; actual: US$81.9 million).** The objective of this component was to promote the NESP goal of universal primary completion through a mix of demand- and supply-side interventions. It had two subcomponents: (a) construct and upgrade education facilities and (b) provide direct support to disadvantaged children.

- **Component 2: Improve the Teaching and Learning Environment (original: US$59 million; actual: US$87.3 million.** The primary objective of this component was to improve the quality of the teaching and learning environment by financing (a) the provision of pedagogic aids for pupils and teachers and (b) the implementation of

an ODL program, which provides a high-impact, time-bound solution to address the high PQTR of 91.5:1.

- **Component 3: Improve Management Capacity at All Levels (original: US$90 million; actual: US$44.9 million).** The objective of this component was to support key reforms in the education sector that will ensure that planned interventions translate to improved access, equity, and quality. Through this component, issues of teacher management, accountability, planning, quality assurance, and monitoring across the system were planned to be addressed within the context of the ongoing decentralization process in the country which necessarily entailed redefining the roles of the MoEST in education delivery at the central, district, and school levels. There were three separate but complementary subcomponents, each with outcome indicators that had specified targets, teacher management reform, SIP, and strengthening planning and budgetary management.

1.6 Revised Components

Not applicable.

1.7 Other Significant Changes

6. Amendment of the Financing Agreement was made in December 2011, to allow the LDF as an additional implementation arrangement for primary school classroom construction.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design, and Quality at Entry

7. The project objectives and key activities, defined under the components listed above, identified and targeted a number of key development issues and constraints, supported by the CAS, the MGDS, and the NESP. In line with these strategy documents, the background analysis identified infrastructure, teaching and learning resources, and governance issues as key factors limiting achievement of education quality.

8. The project planning and preparation processes thus benefitted from lessons learned from past experiences in addition to the learning that occurred during the planning process itself. The key lessons included: (a) the need for a collaborative process in preparing rigorous analytical data that identifies bottlenecks in the system and needed key reforms; (b) the importance of high-level discussion on the reform agenda; (c) the importance of using the preparation and endorsement of the education sector plan to consider donors' collective policy reform agenda; (d) recognition of the effectiveness of government structures, rather than stand-alone project implementation units, to ensure donor harmonization; and (e) the need for the government, with key stakeholders, to prepare a realistic working plan in the short term, rather than waiting for the production of a perfect education sector plan to engage stakeholders in education reforms.

9. The overall project design was sound, addressing relevant needs of the schools, which helps explain why the project components were not revised with time. However, the lack of specified targets for some of the outcome indicators, especially on infrastructure such as teacher houses and

toilets, was a drawback in assessing the attainment of project outcomes and project completion. Furthermore, the involvement of the LDF in the construction of infrastructure and the impact it made shows that a decentralized approach to the project could have yielded greater results, something that should have been considered at the beginning of the project.

Institutional and Implementation Arrangements

10. The main implementation agency was the Ministry of Education on behalf of the Malawi government. The Education SWG, chaired by the permanent secretary, was to monitor and oversee implementation following GoM guidelines for institutionalizing SWGs as well as Technical Working Groups (TWGs). The design also focused on strengthening planning and budgetary management rightly aimed at addressing the weak institutional capacity of the district and central levels to provide planning and technical oversight in FM, procurement, and M&E of the SWAp. This oversight was intended to ensure that the key components were being properly implemented and monitored.

11. During project implementation, there were a number of important success stories and factors which affected progress toward the achievement of the development objectives. Those factors which contributed most significantly to successes or gave rise to problems are discussed below.

12. **Pool funding.** The implementation of the project was to benefit from a partnership agreement involving all the nine DPs providing support to the education sector and the ministry. For a subset of the partners that intend to pool funds, a JFA was also signed that laid out the institutional and financial mechanisms for the pooled fund. During project implementation, it was by choice whether a DP joined the JFA or not. They all signed an MoU on supporting ESIP I whether through the JFA or discreetly. However, this did not only put the project processes in a difficult situation, as in some cases there were overlaps, but also caused further delays in implementation of the project as the ministry had to grapple with responding to funding mechanisms for different donors instead of sticking to one agreed mechanism. In some cases, there was lack of transparency on the outside pool funding amounts and yet the outcomes of such interventions were to be taken as part of project outcomes.

13. **Disbursement of funding.** The project was co-financed by the FTI (US$90 million), UNICEF (US$1 million), DFID (US$ 90 million), and Germany (US$25 million).

14. **Delays in procurement processes.** Procurement processes were a challenge due to slow government Financial Management Information System (FMIS) processes and the so called ‘user unfriendly’ procurement guidelines of the Bank. This was coupled with capacity challenges at the EIMU, resulting in delays that led to discrepancies between cost estimates and actual costs, sometimes resulting in starting the process all over again at least for construction projects. Capacity challenges at the EIMU led to the involvement of a decentralized LDF structure for construction; this helped increase efficiency.

15. **Centralization.** The centralization of the project, manifested through centralized procurement, resulted in cheaper prices, at least for textbooks and other TLMs as a result of bulk purchases. However, the slow and inefficient distribution led to delays by district councils to send their reports for consolidation at the central level.

16. **Management coordination and supervision challenges.** The government was committed in the planning and implementation of the project, which led to the institution of a steering committee and the creation of a SWAp secretariat.

2.3 Monitoring and Evaluation (M&E) Design, Implementation, and Utilization

17. The quality at entry identified the design of M&E to provide continuous feedback on the operation's progress toward the achievement of the NESP targets. Primary data were to be captured by the EMIS from the districts (District Education Management Information System [DEMIS] and in some districts at the Zonal Education Management Information System) and through secondary data sources including household surveys such as the Demographic and Health Survey and the Malawi IHS. Routine monitoring of works was also conducted. In addition, the MoEST and DPs conducted an annual JSR focusing on agreed indicators that were to be captured by the EMIS. Furthermore, joint monitoring meetings through the SWGs and TWGs were held between the MoEST and other stakeholders like the Ministry of Finance, Ministry of Development Planning and Cooperation, and the DPs following the submission of a quarterly report by the MoEST showing financial, procurement, and activity progress in the previous quarter.

18. Both the EMIS and the JSR happened as planned. Although EMIS data was collected annually and the quality of publication had improved with time, there were still some challenges regarding false information dissemination among different stakeholders. However, decentralizing the EMIS to district and zonal levels ironed out most of these disparities. Furthermore, the EMIS feeds into subsequent planning, especially when producing PoWs, and this helped to improve project implementation. The TWGs feed into the SWGs.

2.4 Safeguard and Fiduciary Compliance

19. There was a High risk of limited implementation capacity at the central and district levels and this was mitigated to Substantial by recruitment of skilled staff (with two-year technical advisors in critical areas) and capacity building. The other substantial risks identified were: (a) slow initial implementation; (b) poor quality of construction due to rapid expansion of construction; (c) risk of late disbursement of funds and weak fund management at the decentralized and school levels due to expansion and increase in the amount of resources provided to schools; (d) significant FM risk due to capacity gaps in local governments and education institutions; and (e) substantial overall country procurement risk due to weak mechanisms in place. All the identified risks materialized to a moderate extent but were proactively addressed, by the Bank team, pooled DPs, and the MoEST, to facilitate implementation.

20. FM performance was generally rated as Satisfactory, with the project submitting reports and audits compliant with fiduciary requirements of the Financing Agreement. Furthermore, Bank review missions assessed the project's FM systems and concluded that systems were in place to ensure project funds are used for the intended purposes, transactions and balances were recorded accurately, financial reports were accurate although they often came late, project assets were safeguarded, and appropriate external auditing arrangements were in place.

21. There were no serious procurement issues under the project, with any deficiencies noted being corrected as the project's implementation progressed. The procurement experience mirrored

that of a number of other projects in Malawi, whereby considerable unfamiliarity was found to exist among MoEST staff with regard to Bank procurement procedures, thereby describing them as 'unfriendly'. Strong and sustained technical support was, therefore, required from the Bank for the Procurement Unit to become better acquainted right at the start of the project. However, the project procurement performance improved with experience.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

Relevance Rating: High

22. The project objectives remained highly relevant to the country's development agenda and the Bank's CAS. The GoM articulated its development priorities and objectives in MGDS II 2011–2016), which identified education as key to sustainable socioeconomic development. The provision of infrastructure services and bursaries to increase access and provision of resources for improving education quality had direct implications on educational development, thereby responding to a real and significant development challenge of promoting quality education to all children in the country. With regard to design, the project targeted children in all schools and reached out to the neediest. Project implementation was well aligned to the project objectives.

3.2 Achievement of PDOs

23. **Increase access.** The NER increased from 79 to 88 percent between 2010 and 2015 (Welfare Monitoring Survey, 2014). This has exceeded the project target of 83 percent. Besides, the GER rose from 119 to 133 percent, exceeding the end-of-project target of 114 percent. This is because of the out-of-age enrollment and high repetition rates which are at about 20 percent. The enrollment increased from 3.67 million in 2009 to 4.67 million in 2014 in primary schools. The construction of 2,936 classrooms out of the project target of 3,000 classrooms in areas where there were not enough classrooms, representing a 97.8 percent achievement, has contributed to the increase in enrollment. In addition to that, the classrooms were accompanied by desks and sanitation facilities. Overall, the project had a substantial impact on increasing access.

24. **Increase equity.** The impact on increasing equity was high because 4,670,279 students, exceeding the target by 26 percent. The rural completion rate has significantly increased from 28 percent to 50 percent, exceeding the target by 56 percent. The major possible reason for this improvement is the provision of school improvement grants to all schools and the involvement of the community in implementing the school projects, including chiefs who in some cases charge a fine to parents who do not send their children to school. School improvement grants supported disadvantaged students through provision of personal needs, for example, school uniforms. One of the key findings of the 2014 impact evaluation of the Primary School Improvement Program is that non-staff inputs acquired by schools under the program play a critical role in improving the internal efficiency of primary schools by reducing repetition and dropout rates. The other finding was that direct support was provided to 70,052 students (achieving 93.4 percent against a target of 75,000) and all these beneficiary students are still enrolled in school. Construction of boarding facilities was achieved beyond the targeted 11 with 14 constructed, 12 of which were girls' hostels exceeding the target by 27 percent.

25. **Enhance the teaching and learning environment.** The project managed to recruit student teachers to rural schools and train 23,550 teachers (exceeding the end-of-project target by 96 percent) through the ODL program. This improved the PQTR in rural areas from 91.5:1 to in 2010 to 66:1 in 2015, exceeding the end-of-project target of 87:1.

26. Procurement and distribution of 26,937,976 textbooks to schools exceeded the end-of-project target by 154 percent. This improved the pupil to textbook ratio from 2.6:1/2.1:1 to 1.1:1/1:1:1 for English and mathematics for standard 3 and from 1.7:1/1.5:1 to 1.01:1 and 1.1:1.1:1 for standard 7, respectively, meeting the target set at appraisal. However, pupil to classroom ratio shows a worsening trend from 100 to 127 because of population increase and also the floods that occurred in 2014 destroyed a lot of classrooms. Hence, school infrastructure is still a challenge in Malawi. However, pupil to classroom ratio did not get worse because of the additional schools that were constructed through the project.

27. **Improve management capacity at all levels.** The project performed well on the PSIP with 100 percent of the schools receiving the grant, according to target, as well as SMC training, despite the slow pace in the development of comprehensive school improvement plans that happened at the beginning of the project but later improved greatly. Capacity building on FM and procurement was conducted and finance staff in all six divisions received intensive training on the IFMIS, and computers and servers were provided. Besides, a total of 50 accounts personnel and budget officers from central MoEST, divisions, and districts attended refresher courses in the management of the IFMIS in FY2012/13 and FY2013/14. MoEST finance officers were also attached to a technical advisor for a period of two years and this helped to build their capacity in preparation of Financial Management Reports. This function was taken over by MoEST finance officers following this two-year period. A similar arrangement was followed by the Procurement Unit which trained officers at the central level, who later trained other officers in 34 districts to undertake procurement of instructional materials and other education-related procurement activities. This training facilitated the implementation of the PSIP. The MoEST SWAp Secretariat and human resource officers were also attached to technical advisors for a period of two years and this helped to build their capacity in their respective departments.

28. However, performance was poor on teacher reform since despite Continuous Professional Development (CPD) gradually being introduced in all districts with a draft CPD framework in place, a coherent CPD program including a career framework for teachers is not yet operational. Similarly, although an HRMIS started operating at the central level, this has not yet been rolled out to the districts, thereby posing challenges in ensuring the anticipated improved teacher management and deployment.

29. In conclusion, the overall efficacy rating for the project is substantial with project performance exceeding target for purchase of textbooks and training of teachers through ODL; 100 percent of the target was reached for primary schools as they now have a budget and receive the PSIPs; and over 97.8 percent of the target was reached on classroom construction and provision of direct support to students through bursaries. Although some of the project outcomes were well achieved, others did not sufficiently achieve the outcomes such as teacher management reform.

3.3 Efficiency

Efficiency Rating: High

30. Across the seven subcomponents, two subcomponents (construction of classrooms and improving teaching and learning) had substantial efficiency and three subcomponents (direct support to disadvantaged learners, support SIP, and training of teachers through ODL) had high efficiency. These high efficiency subcomponents and substantial efficiency subcomponents together had been allocated 91 percent of the total funding. Therefore, overall efficiency is High.

31. Construction through the LDF was much more efficient than the EIMU because it produced more for much less funding, although quality of the products was low initially. However, this improved with adherence to the guidelines.

3.4 Justification of Overall Outcome Rating

Overall Rating: Highly Satisfactory

32. The overall outcome rating for the project is Highly Satisfactory. This rating reflects high efficiency achievement of highly relevant outcomes with substantial efficacy.

3.5 Overarching Themes, Other Outcomes, and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

33. Overall, the project had positive impacts on gender by constructing girls' hostels where girls were vulnerable and providing bursaries to both male and female disadvantaged learners. Positive impact on social development was achieved through increased access to schools, and on poverty through the provision of bursaries.

(b) Institutional Change/Strengthening

34. There were benefits for government departments and schools with regard to capacity building. An HRMIS was set up, school management and PTAs were trained, and all schools received grants to prepare strategic and annual work plans. Furthermore, there was an opportunity for further institutional development with regard to coordination between different government departments but this was not fully exploited.

(c) Other Unintended Outcomes and Impacts (positive or negative)

35. Job creation and local skill development for local artisans was achieved through the LDF, the rollout of the EMIS to the district councils, and the implementation of the PSIP.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

Not applicable.

4. Assessment of Risk to Development Outcome

Rating: Moderate

36. The overall risk to development outcomes has been rated as Moderate. This is because the classrooms and any other infrastructure constructed within the project, the textbooks purchased, and the skills gained during capacity building are sustainable. However, these may need constant review in subsequent years. Sustaining the bursaries, cash transfers, and the PSIP may need further exploration in the light of reductions in government budget for 2015/16.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry
Rating: Satisfactory

37. The Bank's performance in ensuring quality at entry has been rated as Satisfactory because there was adequate preparation for the project including careful planning of measures that would work against the project, such as low capacity of stakeholders from the highest level of implementation to the grassroots and learning from experiences of previous projects both in Malawi and elsewhere. However, the financing process could have been planned better for more efficient implementation. Disbursing funding on a reimbursement basis led to challenges as sometimes the government did not have funds to spend in advance.

(b) Quality of Supervision
Rating: Satisfactory

38. The EMIS and JSR with the associated SWGs and TWGs were the key elements for monitoring the project activities from both the Bank and the MoEST perspectives. While both of these were operationalized, the Bank's input in improving the quality could have been improved by operationalizing quarterly meetings with the MoEST and the Ministry of Finance to address some of the challenges being experienced in the implementation of the project, especially with regard to funding and procurement.

(d) Justification of Rating for Overall Bank Performance
Bank's Overall Performance Rating: Satisfactory

39. Despite adequate preparation, there were some shortcomings during implementation, including: (a) not all funding was granted in a timely manner as initially proposed; (b) procurement procedure was found to be 'unfriendly' to the MoEST at first due to limitations in capacity to understand and use Bank procedures and caused delays; and (c) no transition arrangements. However, with training, the MoEST was able to follow the procedures.

5.2 Borrower Performance

(a) Ministry of Finance
Rating: Moderately Satisfactory

40. The Ministry of Finance received and disbursed funding from the Bank as expected. However, there were delays in funding disbursement due to the government's slow integrated financial management information system procedures, government procedures on ceilings, and intermittent government cash flows.

(b) Implementing Agency or Agencies Performance
Rating: Moderately Satisfactory

41. The MoEST was the implementing agency. There were successes and moderate shortcomings with respect to the MoEST's role in ensuring quality at preparation and implementation toward the achievement of development outcomes.

42. The identified MoEST strengths include: (a) capacity building of all key stakeholders, (b) involvement of district councils and local communities which led to ownership of the project at these levels, and (c) overall monitoring of project through annual JSR meetings and EMIS which later decentralized to the district level (DEMIS). The data collected through the EMIS was on agreed indicators and later, an EMIS analysis was produced by the M&E Department that gave a clear picture of what is happening at the school level.

43. JSR meetings were conducted annually as planned and information from the SWGs informed much of what was discussed in such meetings. The problem, however, was that few TWGs did not meet regularly and this limited the robustness of the discussions on issues concerning those TWGs during the JSR.

44. Other identified weaknesses of the MoEST include delays by district councils in submission of reports which resulted in delays in further disbursement of funds; and limitations in capacity to understand and use Bank procedures.

(c) Justification of Rating for Overall Borrower Performance

Rating: Moderately Satisfactory

45. The overall performance of the government (borrower and implementing agency) has been rated as Satisfactory because although there was substantial achievement of development objectives, implementation had shortcomings as discussed above. Most of the shortcoming could have been prevented had the overall monitoring system been used effectively, and the decentralized DEMIS was set up earlier and used effectively.

6. Lessons Learned

46. **ODL.** ODL is an efficient way of training teachers. While the results of the evaluation for its effectiveness are yet to be released by the Bank, there is potential that ODL could enhance the linkage between theory and practice if planned properly, which is not sufficiently done in the Initial Primary Teacher Education Programme. There is need to continue such an approach even if it means during certified in-service teacher education.

47. **Stakeholder sensitization and involvement.** There is evidence that where stakeholders were actively involved in project implementation, for example, communities in the PSIP and district councils in the LDF construction, project outcomes were achieved sufficiently. There is a need for adequate sensitization of all stakeholders including at the central ministry, and involvement in project implementation for project development outcomes to be achieved adequately.

Annex 8 Comments of Cofinanciers and Other Partners/Stakeholders

Not applicable.

Annex 9. List of supporting documents

Ministry of Education Science and Technology, Malawi. 2014. Primary School Improvement Program. National Evaluation Report 2010/2011 to 2012/2013. *Improving the Quality of Basic Education through School Grants and School-Based Management.*

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Theunynck, Serge. 2015. *School Construction in Malawi with Focus on Primary Education Review of the Project to Improve Education Quality in Malawi in the Context of its Project's Implementation Completion Report (ICR)*.

World Bank Implementation Progress and Status Reports (ISRs), several sequences.

World Bank. 2010. *Project Appraisal Document for the Project to Improve Education Quality in Malawi*. World Bank.
World Bank, 2013. Country Assistance Strategy for Malawi for the Period FY2013 – 2017.

World Bank. 2014a. *ICR for Guinea*. The Education for All Project. World Bank.

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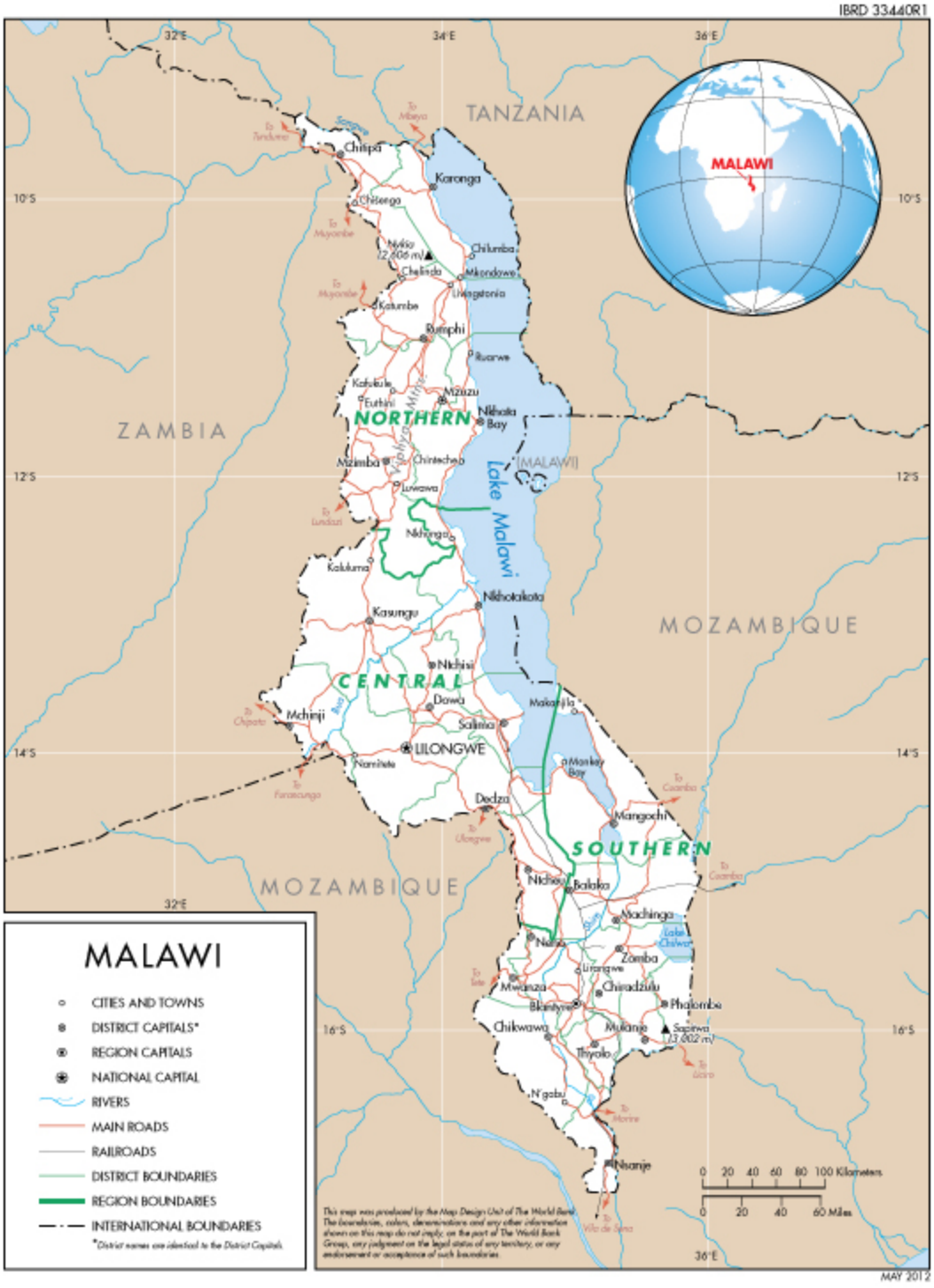
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Zomba
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Phalombe
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CITIES AND TOWNS
DISTRICT CAPITALS*
REGION CAPITALS
NATIONAL CAPITAL
RIVERS
MAIN ROADS
RAILROADS
DISTRICT BOUNDARIES
REGION BOUNDARIES
INTERNATIONAL BOUNDARIES
*District names are identical to the District Capitals.
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