

**PROGRAM-FOR-RESULTS INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.:PIDC0062276

Program Name	<i>Support to Reaching All Children with Education (RACE 2) Program</i>
Region	<i>Middle East and North Africa</i>
Country	<i>Lebanon</i>
Sector	<i>Education</i>
Lending Instrument	<i>Program-for-Results</i>
Program ID	<i>P159470</i>
Borrower(s)	<i>Lebanese Republic, Ministry of Finance</i>
Implementing Agency	<i>Ministry of Education and Higher Education</i>
Date PID Prepared	<i>June 26, 2016</i>
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ROC Review Decision	<i>June 7, 2016</i>

A. Introduction and Context

1. The Syrian refugee crisis has resulted in unprecedented social and economic challenges to Lebanon. Over the past decades, Lebanon has been affected by recurrent domestic and regional conflicts that resulted in high economic and social costs. In spite of the country's resilience in weathering frequent internal and external shocks, the ongoing conflict in Syria has caused a tremendous increase in the number of refugees in Lebanon. While the country hosts 450,000 Palestinian refugees, the conflict in Syria has brought an additional 1.5 million Syrian refugees, placing Lebanon as the country with the highest number of refugees-per-capita in the world at an estimated 33 percent of the country's population. This dramatic surge in population is putting a strain on the country's resources, public services, and infrastructure while affecting local communities who are already experiencing high levels of poverty. This situation, combined with the current political deadlock in Lebanon, poses the risk of destabilizing further the country's fragile political, social and economic situation.

2. With the support of the international community, Lebanon has succeeded in extending its support to refugees while maintaining levels of access and quality for Lebanese. The international community has been strongly committed to supporting the Government of Lebanon (GoL) in addressing the needs of both Syrian refugees and the vulnerable Lebanese population. Recent conferences in London and Washington, DC helped mobilize greater resources to ensure humanitarian and development assistance and strengthen the country's resilience. Additional support is required to enable the GoL to assure continued access to quality public services.

B. Sectoral (or multi-sectoral) and Institutional Context

3. Among the population of Syrian refugees in Lebanon, 487,723 are children of school age 3-18 years old. Despite tremendous efforts of the Lebanese government and the support of the international community to provide education services to the Syrian population, 59 percent of Syrian refugees between the ages of 3-18 are out of formal schooling. This has both short-term and long-term consequences. For families coping with the daily struggles of displacement, this presents an added burden today. Based on prior crises and extensive evidence, the lack of schooling today is likely to contribute to a life of poverty and struggle tomorrow, exacerbating the risk of future conflict and destabilization in the region. For Lebanon, the protracted nature of the crisis and the immense demand for schooling have resulted in strains on service delivery systems including public education quality for both host community and refugee children. Given this context, the International Development Association (IDA) has exceptionally mobilized concessional financing for Lebanon to address these immediate needs and create the foundation for longer-term system recovery.

4. In response, the Government of Lebanon, with support from the international community, launched the Reaching all Children with Education (RACE) initiative. Initiated in 2013, RACE sought to improve access to formal education for Syrian refugee children and underprivileged Lebanese children in the country, and has had some clear success. The number of Syrian students in the Lebanese public education system has dramatically increased as RACE was implemented, going from 18,780 students aged 3-18 in school year 2011-12 to 141,722 students in school year 2015-16. Nonetheless, this sevenfold increase in just 5 years has put strains on the formal education system's ability to maintain both the level of quality of the education system and the same level of access for Lebanese students.

5. The success of RACE and the clear need for additional support led the Lebanese Ministry of Education and Higher Education (MEHE) and partners to coalesce around longer-term system-level strategy to increase both access and quality, RACE 2. Over the next phase of support ('RACE 2', 2016-2021), MEHE and partners will prioritize scaling up equitable access to educational opportunities in the formal public education system, improving the quality and inclusiveness of the teaching and learning environment, and strengthening the national education system, policies, and planning and monitoring capacity, by redoubling its efforts and providing additional financial support. It is expected that efforts under the RACE 2 initiative will contribute to minimizing the short and medium-term costs of displacement for refugee families, while strengthening the long-term capacity of the Lebanese education system to prepare children for life and work once regional stability returns.

6. RACE investments have been successful in increasing access particularly at the primary level, while gains in pre-primary are yet to be fully realized and secondary school-age children are still overwhelmingly out of school. Despite the impressive progress achieved under RACE, Lebanese children are under-enrolled at the secondary school level (grades 10, 11, and 12), particularly at the lowest income levels. This under enrollment is also large among the refugee population: while almost 87 percent of Syrian refugee children attending public schools in the 2015-16 school year belong to the 6-15 age group, fewer than 10 percent of refugees of secondary school age (15-18 years) were enrolled at the secondary level, depriving most of this age group from the adequate preparation for an active

participation in society and the labor market. There is also a need to increase pre-primary enrolment. An estimated 84 percent of Lebanese children enroll in pre-school while fewer than 20 percent of refugee children in the 3-5 age group enroll in pre-school, thwarting the many benefits of early childhood education for refugees and increasing the cost of remedial education in later grades.

7. Even when students are able to attend school, the quality of learning is a serious concern. The immense pressures that the increased demand for schooling have imposed on Lebanon's education system, including overcrowding and shorter school hours for the second shift, has significant implications for the quality of education for all students. While teaching and learning materials have been widely financed and distributed for host and refugee students under RACE 1, the ability of schools to transform these inputs into learning appears mixed. The longstanding gap in learning outcomes between public and private education providers is at risk of increasing. Monitoring of refugee children's learning to date has been limited, with no currently available analysis of learning outcomes. Gains in access risk being undermined by losses due to inadequate quality, which is one of the drivers of dropout rates among Syrian and Lebanese children.

8. Supply-side constraints are not the only challenge to equitable access, especially for secondary school-age children. Demand-side barriers to secondary education are large including low perceived returns to education coupled with a high opportunity cost of foregone income, particularly for older children. In some regions, such as the Bekaa, transportation costs also represent a high barrier to accessing education services. In addition, there is anecdotal evidence that fear of violence and challenges of social acceptance, as well as difficulties in providing the required registration and residence permits impede school registration.

9. This new phase of the RACE strategy builds on the momentum established thus far and attempts to broaden success for equitable access to quality education services by working at the level of the education system. The World Bank is working closely with the UK Department for International Development (DFID), the United Nations Children's Emergency Fund (UNICEF), the United Nations High Commissioner for Refugees (UNHCR) and others to support MEHE in revising the RACE strategy for the coming five years. 'RACE 2' covers school years 2016/17 through 2020/21, and includes system-level investments, detailed below. RACE 2 will require an estimated US\$600 million in financing per year to complete. Current investments in RACE 1, including the Emergency Education System Stabilization Project grant from the WB's Lebanon Syrian Crisis Multi-Donor Trust Fund are performing well, with 41 percent disbursed in the first 9 months of effectiveness and several early results already achieved, including textbooks for all public school students in KG through 9th grade, and financial support to schools

C. Relationship to the CAS/CPF and Rationale for Use of Instrument

10. The proposed Program goals closely align with the priorities developed in the Country Systemic Country Diagnostic (SCD), the Country Partnership Framework (CPF), and the MENA regional strategy. Education was among the eleven priority areas for action identified in the SCD in order for the country to boost jobs, especially high quality ones, in a

sustainable manner and to achieve the WBG Twin Goals. The new CPF, which draws upon the SCD, will be presented to the Board in July 2016, and will guide the further development of the Project. The CPF notes that conflict, security and fragility, including the recent Syria crisis, is an overarching constraint for Lebanon and specifically that the Syrian crisis and ensuing Syrian refugee influx affect Lebanon's economy and exacerbate already existing problems of access to, and quality of, education and other services. Following the first pillar of the MENA regional strategy to renew the social contract, the Program aims to improve access to quality education services for the most vulnerable. In addition, the Project seeks to strengthen the national education system in order to cope with the influx of refugees, which is directly linked to the third MENA strategy pillar of resilience to refugee/IDP shocks. Finally, the Program is part of the recovery and reconstruction of the Lebanese education system, which is dealing with an existential shock in the form of 487,723 Syrian children of school age, who outnumber the Lebanese enrolled in public schools.

11. The rationale for the use of the PforR instrument, which will reward the achievement of results upon their credible verification, is four-fold. First, it shifts the policy dialogue, both externally and internally within ministries. Rather than marshal through the myriad inputs and activities related to education that typically represent a continuity of previous financing patterns, Results-Based Financing (RBF) starts from the end result sought and works backwards to what is needed. This helps focus the discussion within education authorities, and the Bank's dialogue with MEHE, on the results that are truly priority areas for the Government. Second, it attracts and retains much needed attention – from policymakers to parents – to the end line outcomes. The sustained attention translates into resources, whether fiscal or in the form of staffing, to make sure the program stays on schedule for achieving the results at the level of the education system. Third, it serves to galvanize and align important actors in the pursuit of results, notably the Ministry of Finance. It also serves as a vehicle around which international partners can coalesce, using one unified government-owned program as the platform to coordinate planning, implementation, monitoring, and evaluation. Attaching disbursements to results then brings complementarity between the initiatives that international actors are supporting. Finally, it necessarily instills a culture of measurement, eventually to be institutionalized through systems strengthening.

12. The proposed Program links closely to the *Twin Goals* of the World Bank of eliminating extreme poverty and boosting shared prosperity, as well as to the core intervention areas of the *Education for Competitiveness* in the MENA Regional Strategy (E4C). By focusing on making education service delivery more inclusive with alternative pathways to increased learning, the proposed Program is expected to enhance opportunities for a better future for both refugees and the host population children. The activities undertaken as a part of RACE 2 link to four of the core pillars of E4C: Early Childhood Development, Early Grade Numeracy and Literacy, Information for Accountability and 21st Century Skills and Values.

D. Program Development Objective(s)

13. The Project Development Objective is to promote equitable access, enhance quality of learning, and strengthen the systems in Lebanon's education sector. The key results would be

as follows:

- (i) Increase in the proportion of school aged Lebanese and non-Lebanese children (3-18) enrolled in formal education (disaggregated by school type, education cycle, nationality, and gender)
- (ii) Increase in the proportion of students passing their grades, and transitioning to the next grade (disaggregated by school type, grade, nationality, and gender)
- (iii) Improvement in MEHE's and CERD's capacity to plan, implement, monitor, and evaluate the RACE 2 program activities.

E. Program Description

14. The second phase of the Government of Lebanon's Reaching All Children with Education (RACE) program (2016-2021) is estimated to cost approximately US\$3 billion over five years, including Government financing. The program was developed in an open and participatory way led by MEHE and including the Center for Educational Research and Development (CERD) and other national and international actors. It builds on the successes and lessons of the first phase of RACE (2013-2015), and broadens the scope to focus on issues of quality and systems strengthening. The RACE 2 program aims to achieve 3 outcomes and 10 outputs that are structured around three pillars: i) Equitable Access, ii) Enhanced Quality, and iii) Strengthened Systems. Each of these is described below.

15. Within the Government program, the Bank operation will support specific RACE Program objectives linked to formal education.¹ The Bank-supported Program (est. US\$ 2.5 bn) objectives are spread across all three pillars, and exclude activities that are firmly only within the purview of international partners, such as UNICEF and UNHCR. Examples of such excluded activities are non-formal education service provision, and cash transfer programs that are entirely administered outside of MEHE. Although those activities are not part of the Bank-supported Program, they continue to be core parts of the overall RACE 2 program.

16. The overall RACE 2 program depends on a broad set of partnerships for success. The public education system cannot absorb all Lebanese and refugees of school age, and so depends on actors in the private and non-profit sectors to provide education services as well. While the Ministry of Education and Higher Education (MEHE) and the Center for Education Research and Development (CERD) will implement the majority of RACE 2 activities, UN agency partners may be best placed to carry out some of the demand-side activities that are crucial to achieving RACE objectives. Similarly, many of the targets in the formal education sector in later years can only be met through support to the non-formal education sector in the current period, since the particular needs of refugee students require a multi-pronged approach. Some children have been out of school for a year or more and need instruction in non-formal settings to catch-up on subject matter and adapt themselves to instruction in French or English, a characteristic of the Lebanese education system. Finally, the RACE strategy is for all children, both Lebanese and refugees, and investments are aligned with the

¹ To distinguish the overall RACE program from the smaller Bank-supported Program, please note use of capital 'P' in Bank-supported Program.

long-term sustainability needs of the education system as a whole, regardless of the outcome of the refugee crisis beyond the medium-term.

Pillar I: Equitable Access

17. The first pillar aims to achieve “enhanced access to, and demand from, children and their caregivers; for equitable formal or non-formal education pathways.” Within this pillar, there are two outputs that activities will contribute to:

A.1 Girls, boys, and their caregivers are provided with the necessary support to increase their demand for formal education or non-formal learning opportunities that result in certification (diplomas);	A.2 Girls and boys are equitably provided with increased access to appropriately equipped public schools and non-formal learning spaces.
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Pillar II: Enhanced Quality

18. The second pillar strives for “enhanced quality of education services and learning environments provided, to ensure relevant, age-appropriate learning outcomes for children.” Specifically, activities would contribute to the following four output areas:

B.1 Teachers and educational personnel have improved capacities to provide learner-centered teaching in formal schools or non-formal spaces;	B.3 Communities are capacitated to actively engage in the promotion of learning and well-being of students and children in learning spaces;
B.2 Educational personnel at the school-level are capacitated and empowered to proactively provide safe and enabling learning environments;	B.4 Appropriate systems are effectively deployed to improve the monitoring and evaluation of teaching quality, learning outcomes, and learning environments.

Pillar III: Strengthened systems

19. The third pillar is focused on “enhanced governance and managerial capacities of MEHE and its institutions to plan, budget, deliver, monitor, and evaluate education services.” This pillar aims to achieve the following outputs:

C.1 MEHE and its institutions manage an effective and accurate Education Management Information System (EMIS);	C.3 Appropriate policies are endorsed and implemented to regulate education programs and services, strengthen school management, and professionalize teaching services, in formal schools and learning spaces;
C.2 A revised, interactive curriculum is implemented in schools and learning spaces to improve quality learning, life-skills and employability for children and youth;	C.4 MEHE and its institutions at central and regional level are strengthened to lead and coordinate the planning, implementation, and evaluation of the RACE 2 Strategy.

F. Initial Environmental and Social Screening

20. Communities and individuals who believe that they are adversely affected as a result of a Bank supported PforR operation, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance redress mechanism or the WB’s

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

G. Tentative financing

Source:	(\$m.)
Borrower/Recipient	
IDA	100.00
DFID	131.00
Multi-donor Grant Trust Fund (REACH TF)	4.00
Total	235.00

H. Contact point

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