Board of Directors Audio-conference Meeting

15 December 2011

Decision

BOD/2011/12-01 – <u>Allocation for Education Plan Implementation Grants</u>: The Board of Directors approves the allocation of funds from the Global Partnership for Education Fund and/or the Catalytic Fund for education plan implementation grants in the amounts and for the durations recommended by the Finance Advisory Committee (FAC) in its report (BOD/2011/12--DOC 01 – Annex 1) (the "Report"), including:

(i) the appointment of the Supervising Entities as identified by the relevant Local Education Groups referenced in the Report;

(ii) the comments and "additional considerations" for each allocation contained in the Report; and

(iii) a supervision allocation for each of the approved Supervising Entities to a maximum of US $100,000 per year of supervision.

With regards to the allocation to Afghanistan, which will be funded by the Catalytic Fund, the Board of Directors approves the waiver of the third party rights provisions for the Transfer Agreement to UNICEF acting as Supervising Entity.

ANNEX 1: ALLOCATION RECOMMENDATIONS FOR EDUCATION PLAN IMPLEMENTATION GRANTS

Afghanistan

BACKGROUND

Afghanistan first developed a comprehensive education sector plan in 2010. The Local Donor Group carried out an appraisal of the plan and as a result strongly recommended to the Government of Afghanistan that a focus on key, medium-term strategic priorities would be more effective than the longer-term vision represented in the draft education sector plan. Out of this dialogue emerged a new interim plan for Afghanistan for the period 2011-2013. Afghanistan joined the Global Partnership in March 2011 after the interim plan was endorsed by the Local Donor Group. The Afghanistan proposal package was then developed collaboratively by the Local Education Group over three to four months.

SUMMARY OF APPLICATION

Afghanistan requests financing of US$55.7 million which is in line with the indicative allocation provided by the Needs and Performance Framework. The proposed three-year program aims to improve equitable access to education, especially for girls, in 40 districts of 13 provinces through (i) community and social mobilization; (ii) expanding and reinforcing different pathways to learning; (iii) increasing the number of female teachers in areas with high gender disparities; and (iv) capacity strengthening for the Ministry of Education at both central and local levels. The program focuses on districts with low education indicators, extreme gender inequalities, difficult access, and insecure conditions. UNICEF is the Supervising Entity. A new budget support modality has been developed to deliver Global Partnership funds. The new mechanism draws on the lessons learned by Denmark and others in providing on-budget support in Afghanistan.

EXTERNAL QUALITY REVIEW (EQR) SUMMARY

The EQR report provides an overall assessment rating of "Satisfactory/Likely". It concludes that the proposal builds on national plans and includes program components that show strong synergy, are designed for mutual reinforcement and are based on strong evidence of what has already worked in Afghanistan. The report concludes also that strong collaboration at a country-level on the design of the proposal for the Global Partnership suggests that there will be a high degree of willingness to appropriate the results of this program in the operational design of subsequent programs and projects. Through this, the report concludes that the program can have a catalytic effect on the education sector in Afghanistan. The report nevertheless flags concerns with regards to the incompleteness of plans for monitoring and evaluation and the complex program management structure and financial flow structure. The proposal does not contain a results framework and does not demonstrate the linkage between outputs and outcomes resulting in "gaps in the logic of the proposal".

COUNTRY RESPONSE

The Afghanistan country response to the EQR report addresses the key issues raised. It provides a newly-developed results framework to allow for a better understanding and monitoring of program objectives and activities and the relation between these. It provides further information on broader monitoring and evaluation issues including plans to strengthen the Education Management Information System (EMIS) and scale up third-party evaluation and assessment. It tackles fund flow and fiduciary oversight and provides reassurance that forthcoming assessments will build better knowledge around what works and what more is needed.

SECRETARIAT FINAL REMARKS

The EQR report is technically robust but appropriately sympathetic to the conditions on the ground in Afghanistan. The ratings across the EQR report are consistent and well justified and there appears to have been a strong effort on the part of the EQR team to contextualize the program without losing rigour in analysis. The Secretariat did press for more fiduciary analysis on the new budget support modality and still considers this to be a weak section although no significant concerns are flagged.

The Local Education Group provides a well-targeted, largely satisfactory response to the EQR report. The newly-developed results framework provides greater clarity around the proposed program although it remains impossible to define actual results until the program districts have been identified. Key implementation details such as how the community and social mobilization component will work also remain to be developed although the country response indicates that it will be possible to draw on existing strategies to accelerate progress on these.

Overall, the proposed program is well-aligned with Global Partnership priorities. It has a strong focus on reaching marginalized communities, and particularly girls, in an extremely challenging post-conflict environment and demonstrates real adherence to the Partnership's aid effectiveness goals.

FAC RECOMMENDATION (AFGHANISTAN)

- **Recommendation Category: Allocate full amount as requested**
- **Amount: US$55,700,000**
- **Planned grant implementation period: 2012-2014 (3 years)**
- **Supervising Entity: UNICEF**
- **Comments:** The program outlined in the proposal is robust, ambitious, innovative and strongly aligned with the strategic directions of the Global Partnership for Education. The community and social mobilization strategy particularly for girls' education is potentially very positive.
- **Risks:**
    - Lack of efficient resource distribution across Afghanistan
    - Need for protection of female teachers
    - Volatility of budget execution and fiduciary risks related to school grants
- **Considerations going forward:**
    - Strengthening of the monitoring and evaluation strategy to ensure a strong focus on distilling lessons about what works
    - The early development and implementation of the community and social mobilization strategy
    - The anticipated contribution of technical assistance and capacity strengthening to effective implementation
    - The development of measures for the protection of female teachers

Côte d'Ivoire

BACKGROUND

In 2009, the government decided to develop an education plan to address the degradation of the education system following 10 years of political instability. The plan proposed activities for the whole sector from early childhood development to tertiary education. It aimed at quickly improving access and quality in basic education and preparing the education sector to answer labor market needs in the longer term. The Local Donor Group was ready to endorse the plan in 2010 when a violent conflict erupted after the November 2010 elections.

Following the immediate aftermath of the post-electoral crisis, the government decided to prioritize specific activities of the education plan, focusing on rehabilitation and construction of school infrastructure, provision of school equipment, purchase and distribution of learning and teaching materials, and the re-launch of the school feeding program, including the acquisition and distribution of micro-nutrients and de-worming tablets, which are particularly critical in post-conflict situations.

The education plan (2012-2014) was formally endorsed by the Local Education Group in August 2011 and will cost around US$250 million. The government has shown substantial political commitment to education, especially through the Presidential Emergency Recovery Plan (Plan Présidentiel d'Urgence) which includes education as a priority.

The Local Donor Group, lead by UNICEF, contributed actively to the development of the Education Plan. A Sector Task Force (STF) made up of representatives of the three ministries in charge of education, will coordinate overall implementation of the plan.

SUMMARY OF APPLICATION

This is the first request for funding from the Global Partnership. The government and the development partners requested the World Bank to be the Supervising Entity due to its active engagement in basic education with the Education and Training Sector Support Project (PASEF) that will be active until August 2012. In May 2011, the government requested the Bank to identify emergency response activities and accelerate the finalization of the operation to meet the deadline for submitting the project to the Global Partnership Secretariat. The cost of the project is US$41.4 million which is aligned with the Needs and Performance Framework indicative allocation.

The components of the project are in line with the Education Plan:

(i) Restoring and increasing access to basic education. To address emergency needs, the government will determine priority zones for construction activities. These zones will include areas affected by the decade-long crisis as well as those directly or indirectly affected by the recent conflict (i.e. armed conflict areas as well as areas with large migration);

(ii) Rehabilitating and improving the conditions for teaching and learning, by supporting pre- and in-service teachers training, re-launching the school feeding and nutritional programs, and acquiring micro-nutrients and de-worming tablets in collaboration with other UN agencies and delivering pedagogical inputs such as textbooks;

(iii) Restoring and strengthening institutional capacity at central, regional and school levels to deliver quality basic education.

The project will be implemented using a Project Implementation Unit (PIU). However, to ensure consistency with the Education Plan, the PIU will be under the supervision of the STF's Coordinator and work in close collaboration with the relevant technical departments of the Ministry of Education at central and regional levels.

EQR SUMMARY

The EQR panel has given the request an overall rating of 3, "moderately satisfactory/likely". The panel considers that the project is coherent with the Education Plan and provides strong solutions to improve access and quality issues in basic education especially in regard to the emergency context. The panel appreciated the important role the school communities will have in this program. The panel's main concerns relate to the risk of delay with the implementation of the PIU and the significant financial gap which remains for the Education Plan.

COUNTRY RESPONSE

The Local Education Group responded to all the issues raised by the panel. In particular, the Local Education Group explained that the government is already working on the PIU manual and the terms of reference of its coordinator. Regarding the financial gap, the economic recovery should lead to an increase of domestic resources for Education Sector which is a national priority. In addition, the government is working with local donors to increase external resources.

SECRETARIAT FINAL REMARKS

The Secretariat considers the concerns and recommendations of the EQR Panel as pertinent and the rating appropriate and fully justified. The panel provided a full analysis of the program by checking its coherence with the education plan and its capacity to answer the emergency needs of the country.

The Secretariat acknowledges that the country provides a comprehensive and robust response to the concerns raised by the EQR panel. However, Cote d'Ivoire will need strong support from the government and local donors to fill the financial gap and enable the country to implement fully the Education Plan.

In addition, the Secretariat highlights that the program is aligned with the strategic priorities of the Global Partnership. Cote d'Ivoire is a fragile state and the program proposes implementation procedures that are consistent with the capacity of the country. It will finance capacity building activities that will help the country to improve the efficiency of the education system and its absorptive capacity. The program will improve the quality of the education sector by strengthening the skills of the teachers and increasing the availability of pedagogical inputs in schools. Finally, the program will have a positive impact on girls' enrollment especially in lower secondary education by building small middle schools which are "girl friendly" in rural areas.

FAC RECOMMENDATION (COTE D'IVOIRE)

- **Recommendation Category: Allocate full amount as requested**
- **Amount: US$41,400,000**
- **Planned grant implementation period: 2012-2014 (3 years)**
- **Supervising Entity: World Bank**
- **Comments:** The program is solid, in particular the component on the integration of health-related activities appropriately addresses country priorities. However, the program does not fully address the fragility context of the country nor does it propose a clear strategy to improve girls' education. It would be helpful to develop a strategy for integrating the project implementation unit fully within Ministry of Education structures.
- The amount allocated shall be subject to a mid-term review to assess progress on the following:
    - Adaptation of the education sector plan and the Global Partnership program to the country's fragile context
    - Progress in improving the gender focus of the project
    - Establishment of a strategy to fully integrate the program implementation unit into Ministry of Education structures
    - Implementation of the teacher training program

Guinea-Bissau

BACKGROUND

Guinea Bissau joined the Global Partnership for Education (Global Partnership) in 2010, facilitated by UNICEF as Coordinating Agency, following the endorsement of its 2010-13 Interim Sector Plan. Due to extreme fragility and weak national institutions, the finalization of the Interim Plan took 4-5 years. Political instability combined with limited donor presence has left the country's education system in need of basic infrastructure. The Interim Plan, therefore, focuses on meeting these basic needs through school construction, systems rehabilitation, and management capacity building.

SUMMARY OF APPLICATION

This is Guinea Bissau's first funding request to the Global Partnership. It is for a three-year grant in the amount of US$12 million to support the country's Interim Plan. The amount of this funding request has been revised three times over the past year in response to Secretariat revisions to the models of indicative allocations. As a result, the Local Education Group (LEG) filed a special petition with the Financial Advisory Committee (FAC) for permission to apply for US$16.5 million, an amount significantly higher than the indicative allocation. Such an application package was already prepared by the LEG, and had been processed and approved by the Supervising Entity (World Bank).

A virtual meeting was convened by the FAC on 8 August 2011. The FAC agreed to let Guinea-Bissau submit its SE-cleared package in the amount of US$16.5 million but advised the Secretariat to remind the LEG that the indicative allocation generated by the revised Needs and Performance Framework (NPF) would remain the reference point. The NPF indicative allocation figure for Guinea-Bissau is US$5.6 million; substantially lower than that contained in the SE-cleared package.

In response, the LEG reduced the grant application amount to US$12 million, a level aligned with previous allocations but still higher than the current NPF indicative allocation.

The grant modality is a stand-alone project and the Supervising Entity is the World Bank. In line with the Interim Plan, the project aims at building the physical infrastructure for basic education. Its three major components are: (i) Increasing basic school infrastructure and facilities; (ii) Increasing the availability of learning resources; and (iii) Strengthening management, monitoring and evaluation (M&E), and capacity of the education systems.

EQR SUMMARY

Overall, the EQR panel rated this project "moderately satisfactory/likely". The main strengths found by the panel are: (i) the application focuses on critical and urgent needs, with both short-term and long-term issues included; (ii) the objectives are actionable and straightforward; and (iii) the project design is simple, with an emphasis on sustainability.

The panel's main concerns and suggestions relate to: (i) the large size of the unmet funding gap that constitutes a serious risk, in particular the large salary arrears for teachers; (ii) the insufficient project details in the World Bank's Project Appraisal Document (PAD); (iii) the poor quality of the results framework and M&E; and (iv) risks for the long-term sustainability due to shortfalls in fiscal revenue to cover recurrent costs. The "donor-orphan" status of the country was also cited as project risk.

COUNTRY RESPONSE

The LEG took seriously the findings and suggestions made by the independent panel. With regard to the large funding gap, the government made an immediate commitment to increase the share of education in the budget; the Prime Minister's office identified additional resources from the Paris Club debt write-off that could benefit the sector; and external partners promised to scale up their financial support. In addition, The World Bank revised its Project Document, including more project details in both the PAD, and in the Project Implementation Manual.

SECRETARIAT FINAL REMARKS

The GPE Secretariat finds the EQR process and findings to be robust. Suggestions made by the independent panel were substantiated and helpful, and Guinea-Bissau took these findings and suggestions seriously. The country team provided adequate responses to questions and issues raised. Guinea-Bissau's application is fully aligned with its Interim Plan. It focuses on gender disparities in general, and on girls' education in particular. Finally, Guinea-Bissau is a fragile state with weak institutions, an area of focus for the Global Partnership.

FAC RECOMMENDATION (GUINEA-BISSAU)

- **Recommendation Category: Allocate full amount as requested**
- **Amount: US$12,000,000**
- **Planned grant implementation period: 2012-2014 (3 years)**
- **Supervising Entity: World Bank**

Comments: The proposal clearly addresses the enormous need within the sector. The endorsement and proposal preparation processes have already produced a catalytic effect with more donors stepping forward to fill the financing gap. Significant concerns about implementation capacity remain.

This is an exceptional action reflecting the fact that Guinea-Bissau had prepared its initial application under an earlier Needs and Performance Framework scenario with a higher indicative allocation. The FAC recognizes that not approving this exception would lead to significant delay in project implementation.

The Supervising Entity is requested to confirm prior to grant signing that a sufficient process for resolving the salary arrears situation is being negotiated with Government

- **Risks:**
    - Lack of a thorough conflict analysis
    - Existing teacher salary arrears
- **Considerations going forward**:
    - This project will be subject to a mid-term review not longer than 24 months after grant signature; this review will include progress in resolving the salary arrears. Any funds not anticipated to be spent by the closing date will be liable for cancellation at that time

Mali

BACKGROUND

Mali joined the Global Partnership for Education (Global Partnership) in 2006. The country received an allocation of US$8.7 million in 2007, in support of the second phase of the national education sector plan: the Education Sector Investment Program (ESIP). With the World Bank as Supervising Entity, the grant supported school construction, textbooks, teacher training and school grants as an addition to a US$50 million World Bank specific investment loan to the education sector for 2006-2010. Implementation was hampered by weak management systems, slow implementation of school construction, and insufficient attention to the institutional framework required for financial transfers to local government and school committees. As a result, US$13 million of the World Bank support, including US$1.79 million of the Global Partnership Funds, were cancelled. The January 2011 appraisal of phase III of the ESIP concluded that measures prepared to improve capacity at different levels of the system will be vital to the success of the third phase of ESIP, and if implemented, will contribute significantly to improve institutional capacity. The present request, facilitated by the Royal Dutch Embassy as Coordinating Agency, will support the third phase of ESIP, which was endorsed by the Local Education Group (LEG) in May 2011.

SUMMARY OF APPLICATION

In line with the indicative allocation set in the Needs and Performance Framework, Mali's request is for US$41.7 million. The World Bank will continue to be Supervising Entity. The modality is budget support triggered by key education reforms considered as necessary milestones towards the achievement of the following objectives: (1) to improve the quality and efficiency of basic education; (2) to improve access, equity and expansion of basic education coverage; and (3) to strengthen sector management and monitoring within the context of decentralization of services. The triggers include 7 prior actions for the first

transfer of US$16.7 million, and 7 triggers for the second transfer of US$25 million. Previous problems with institutional capacity will be mitigated by technical assistance provided through World Bank and other donor projects, including a World Bank operation on budget decentralization which is expected to assist local governments to better assume the responsibilities transferred to them. The budget support modality is also used by the Netherlands, Canada and AFD.

EQR SUMMARY

The EQR panel has given the request an overall rating of "Satisfactory/Likely". The panel commends the reform-triggered budget support modality and concludes that the development objectives are relevant with regard to the context and consistent with ESIP III. In addition, the Panel justifies its rating by emphasizing that an appropriate framework for implementation will enable the achievement of the intermediate results and performance indicators, and by concluding that risks are proportional to the expected gains. The Panel's main concerns fall within three main areas: institutional capacity, monitoring and evaluation (including the need for vigilance in monitoring the triggers required for the release of funds), and a financing gap that would persist despite a successful outcome of the present request. With regard to the capacity and monitoring weaknesses of the program, the Panel suggests specific measures, including a study to examine the causes of teacher absenteeism, a consolidated action plan giving more control to school management committees and a strengthened mandate for the National Agency of Regional Community Investment. The EQR Panel recommends reflection around adjustments or arbitrations that may be necessary if the remaining funding gap is not closed.

COUNTRY RESPONSE

The country response to the EQR Panel acknowledges that most of the Panel's recommendations concern the reinforcement of monitoring and measures for efficient implementation, and confirms that the Panel's suggestions will be taken into consideration and followed up by the Monitoring Commission. More specifically, the response cites several ongoing initiatives supported by partners (including AFD, CIDA and USAID in addition to the World Bank), which are designed to build capacity in planning, resource and financial management both at central and decentralized levels. With regard to the disbursement triggers, the response highlights the Government's commitment to the reforms that constitute the triggers, as well as the assurance that these will contribute to improved efficiency in public spending and greater equity in resource allocation. The financing gap is expected to be reduced through upcoming commitments from the donors present in the country as well as an increase in available internal resources. The existing monitoring mechanisms will ensure that any necessary adjustments and arbitrations will be carried out as the financing situation becomes clearer.

SECRETARIAT FINAL REMARKS

The Secretariat considers the concerns and recommendations of the EQR Panel as pertinent and the rating reasonable, although a more structured presentation could have facilitated a clearer understanding of their justifications. Time constraints forced a focus on content rather the quality of the presentation of the report, but overall, the Panel has addressed the main strengths and weaknesses of Mali's request. In response, the Country Team has drawn attention to relevant actions, commitments and mechanisms that are in place in collaboration between the Government, the Supervising Entity as well as other major donors. This demonstrates alignment and mutual engagement around the ESIP III. In combination with the requests' supporting documents, the country response provides

reasonable assurance that weaknesses and risks will be addressed within a coherent framework of progressive institutional capacity strengthening.

The Secretariat would like to draw further attention to the link between the poor performance of the previous grant and the measures taken by the Government, the World Bank and other donors to reduce the risk of further implementation constraints. In addition to the explanations contained in the World Bank's Program Document, the various capacity building programs reported in the country response shows that actions are underway to mitigate the problems that led to poor performance. The use of the budget support modality by key donors such as the Netherlands, Canada and France demonstrates their confidence in the appropriateness of this modality in Mali. It is also worth noting that the implementation rate of the national sector budget was 96% in 2009 and 97.95% in 2010.

The budget support modality moves the support to Mali towards greater coherence with the principle of harmonization. Moreover, the Secretariat notes with satisfaction the comprehensive attention given to girls' education as well as the focus on learning outcomes.

FAC RECOMMENDATION (MALI)

- **Recommendation Category: Allocate full amount as requested**
- **Amount: US$41,700,000**
- **Planned grant implementation period: 2012-2014 (3 years)**
- **Supervising Entity: World Bank**
- **Comments**: The innovative modality of policy-based budget support is appreciated, especially the robust measures that have been put in place to address the weaknesses that resulted in poor performance with regard to the previous allocation from the Catalytic Fund. Decentralization is important in Mali and capacity-building at decentralized levels will be crucial for the success of the program.
- **Risks**:
    - Lack of capacity within institutional structures to provide adequate support at the decentralized level
    - Continuing high teacher absenteeism
    - Weak capacity for teacher recruitment
- **Considerations going forward**:
    - Alignment of triggers used by different donors for budget support disbursement
    - Mitigation of risks related to institutional capacity at decentralized levels including through greater participation of civil society

Moldova

BACKGROUND

Moldova joined the Global Partnership for Education (Global Partnership) in 2005 following the endorsement of its Education Sector Plan covering the period 2005-08. It received two one-year grants in the amount of US$4.4 million each. These focused on basic education in general; and Early Childhood Development (ECD) in particular. The grants helped build and expand basic infrastructure for preschool. Although some implementation delays occurred due to the yearly and sequential nature of these earlier grants, they were successfully implemented. The grants increased support for child-centered preschool policies; and helped Moldova become known internationally for good practice in the field of ECD. Moldova prepared a new sector plan 2011-15 which was re-endorsed by partners in 2011 under the coordination of UNICEF.

SUMMARY OF APPLICATION

The present request is for a one-year "graduation grant" in the amount of US$4.4 million to support the revised sector plan. The main objective is a further expansion of ECD with a special focus on quality. Planned activities are fully in line with the concept of the "graduation grant" intended to continue and to complete activities under previous grants. Implementation is expected to take no more than 2 years. The grant modality is a stand-alone project; and the Supervising Entity is the World Bank. The project's major components are: (i) Increasing preschool access, especially for children with special needs; (ii) Improving the quality of ECD for all children; and (iv) Strengthening project management, monitoring and evaluation (M&E), and communication.

EQR SUMMARY

Overall, the EQR panel rated this project "moderately satisfactory/likely". The main strengths identified by the panel are: (i) project structure and design with a strategic focus on ECD, and using both research and international practices; (ii) strong political commitment to ECD on the basis of prior experience and pre-tested models; and (iii) strong track record for implementation; with relevant indicators for results, gender equity, and good management systems.

The panel's main concerns and suggestions relate to (i) the weak capacity of the Moldovan Ministry of Education to manage this more complex project; (ii) the need to include in the project a specific plan of actions for increasing overall capacity to manage and sustain changes introduced by the project, and (iii) the need to strengthen the monitoring and evaluation systems for assessing education quality for preschoolers. Finally, the short-term nature of the project—imposed by the concept of graduation grant—and the government commitment to consolidate gains in the long run were cited as risk.

COUNTRY RESPONSE

The Local Education Group (LEG) took seriously the findings and suggestions made by the independent panel. In response to the issue of strengthening government capacity, a more focused and targeted technical assistance program is being designed. In relation to the results framework and M&E, agreement has been reached to introduce additional quality/outcomes indicators that would be assessed well beyond the closing of this short-term project. The World Bank has already revised its Project Document accordingly.

SECRETARIAT FINAL REMARKS

The Global Partnership Secretariat finds the EQR process and findings for Moldova to be robust. Suggestions made by the independent panel were substantiated and helpful; and Moldova took these findings and suggestions seriously. The country team provided adequate responses to questions and issues raised. Moldova's grant application is fully aligned with its National Education Plan. It focuses on regional disparities in general, and on rural girls' education in particular. Finally, Moldova has a good track record for implementation, and strong institutions as demonstrated by the effective use of previous assistance from the Global Partnership.

FAC RECOMMENDATION (MOLDOVA)

- **Recommendation Category: Allocate full amount as requested**
- **Amount: US$4,400,0000**
- **Planned grant implementation period: 2012 (1 year)**
- **Supervising Entity: World Bank**
- **Comments:** The request is an appropriate continuation of the previous programs. Prior performance has been good. The consolidation of early learning programs in Moldova is noted.
- **Considerations going forward**:
    - The inclusion of children with special needs is likely to be needed beyond the program period, since this is a significant change from the current practice of schooling children with special needs in separate institutions
    - Consider an impact assessment covering a period of 3-5 years

Mongolia

BACKGROUND

Mongolia joined the Global Partnership for Education (Global Partnership) in 2006, following the endorsement of its 2006-15 Education Master Plan. It received three one-year grants amounting to US$29.4 million cumulatively. These focused on Basic Education in general and Early Childhood Development (ECD) in particular. These grants helped enhance teacher training and expand basic infrastructure for preschools in rural and mostly nomadic areas. Although some implementation delays occurred due to the yearly and sequential nature of these earlier grants, they were successfully implemented. One of the areas of success is school readiness for nomadic children through the "ger kindergarten" system. Mongolia revised its Master Plan for the period 2009-15, which was re-endorsed by partners in 2010 under the coordination of Japan and the Asian Development Bank.

SUMMARY OF APPLICATION

The present request is for a one-year "graduation grant" in the amount of US$10 million to support the revised Education Master Plan. It focuses mainly on the expansion of ECD for rural and vulnerable children for more inclusiveness. Planned activities are in line with the concept of the "graduation grant" intended to continue and to complete previous grant activities. Implementation is expected to take no more than 2 years. The grant modality is a stand-alone project; and the Supervising Entity is the World Bank. The project's three major components are: (i) Increasing access to preschool; (ii) Rolling out alternative preschool classes/systems for rural/nomadic children (ger-kindergarten); and (iii) Improving management, M&E, and communication.

EQR SUMMARY

Overall, the EQR panel rated this project 2, “satisfactory/likely”. The main strengths noted by the panel are: The project has simple and clear development objectives, with a strategic focus on ECD in line with international research. It focuses on dealing with social inequities. Mongolia has a good track record and implementation capability for a well-conceived sector plan. Government commitment is evident in new education laws, policies, planning, and financing. Moreover, there is strong and supportive donor commitment, and strong community demand for preschool education services.

The panel’s main concerns and suggestions relate to the focus on inputs/outputs indicators rather than outcomes and quality of learning; the quality of the results framework and M&E, especially third party verification; and long-term sustainability in light of the increase in recurrent costs. Finally, the short-term nature of the project—imposed by the concept of the graduation grant—and the ability and commitment of the Government to consolidate gains in the long run were also cited as sources of risk.

COUNTRY RESPONSE

The Local Education Group (LEG) took seriously the findings and suggestions made by the independent panel. In terms of M&E and measuring quality and outcome, Mongolia agrees to go beyond the life of this short-term project and assess impact after its closure. In doing so, the country team has provided greater clarity on the relationship between inputs/outputs indicators on the one hand, and expected outcomes on the other. As for sustainability and consolidation of gains, Government and partners are committed to maintaining the infrastructure built under this project, as well as funding the additional recurrent costs. Finally, the Supervising Entity (World Bank) has revised the Project Appraisal Document accordingly.

SECRETARIAT FINAL REMARKS

The GPE Secretariat finds the EQR process and findings for Mongolia to be robust. Suggestions made by the independent panel were substantiated and helpful; and Mongolia took these findings and suggestions seriously. The country team provided adequate responses to questions and issues raised. Mongolia's grant application is fully aligned with its Education Master Plan. It focuses on geographical-based gender disparities in general, and on rural girls' education in particular. Finally, Mongolia has a good track record for implementation capacity, and strong institutions as demonstrated by the effective use of previous assistance from the Global Partnership.

FAC RECOMMENDATION (MONGOLIA)

- **Recommendation Category: Allocate full amount as requested**
- **Amount: US$10,000,000**
- **Planned grant implementation period: 2012 (1 year)**
- **Supervising Entity: World Bank**
- **Comments:** Mongolia has demonstrated success in previous allocations and there is confidence that the project can be implemented as planned.
- **Considerations going forward**:
    - Integration of the program implementation unit into the Ministry of Education
    - Mainstreaming of training for teachers in inclusive education, including for marginalized children
    - Involvement of civil society in the program, particularly to build the capacity of parents and community groups for local-level management of resources
    - Integration of pre-school education in the education management information system



- Evaluation of the impact of preschool education for children throughout their primary school experience

Timor-Leste

BACKGROUND

Timor-Leste joined the Global Partnership for Education (Global Partnership) in 2005. In 2006, Timor-Leste received its first Global Partnership grant for US$8.2 million in support of its Strategic Plan for Universal Primary Completion (SP-UPC). In 2008, Timor-Leste received a second grant for US$4.9 million. This grant, completed in late 2010, focused on sector systems-building, and more specifically on demand-side interventions with rapid implementation and impact on key sector results particularly affecting marginalized populations. The Supervising Entity (SE), the World Bank, found satisfactory implementation. There were minor execution delays due to changes at the project activity level but these were addressed. Disbursement was timely. The project helped support increased outcomes in enrolment, which increased in grades 1-3 by 8% between 2008/09 – 2010 (13.2% in remote area schools), and drop-out, which fell from 10-11% in 2008/09 to 3-4% in 2010. Timor-Leste has since developed a new National Education Strategic Plan (NESP) for 2011-2030. The NESP outlines the Ministry of Education's intent to promote its new vision for the education sector in both the long and medium terms. The present request, facilitated by UNICEF as Coordinating Agency, is intended to build on earlier achievements.

SUMMARY OF APPLICATION

Timor-Leste began initial planning for the proposed project before the current Needs and Performance Framework (NPF) indicative allocations were agreed. For this reason, the Local Education Group (LEG) has submitted a grant application package with two funding scenarios: one in the amount of US$2.8 million, which is in-line with the NPF indicative allocation, and one in the amount of US$5 million, which is more in-line with previous grant allocations. The modality for grant funding is through project support. The primary components of the project are to: (i) strengthen senior and general management systems in

core management directorates to ensure the implementation of the NESP; and (ii) strengthen public financial management and evidence-based planning capacity.

EQR SUMMARY

The External Quality Review (EQR) panel has given the application package an overall rating of "Moderately Satisfactory/Likely." The EQR panel report commends the LEG's cohesive approach to the review of the project and the donor group's coherence in support of the project. The panel also notes innovations in the project preparation including the Project Appraisal Document's (PAD's) Annex 7: Capacity Levels for Results Management. The panel finds that the proposed plans and Monitoring and Evaluation (M&E) intentions of the country team are sound. The panel's primary concerns rest with the "Quality of Results Framework, M&E" section, which received a score of "Moderately Unsatisfactory/Unlikely." The panel finds that the application package lacks strong Results and M&E frameworks and their concerns revolve around three key factors: (i) the lack of the Management Strengthening Action Framework (MSAF) that underpins the project activities; (ii) the lack of third party verification; and (iii) the lack of adequate institutional assessment.

Country Response

Timor-Leste's country team has responded robustly to the EQR panel report. The country response includes an action list that contains: implementation documents; a revised Results and Monitoring Framework (Annex 1) with baseline indicators; an action plan for ensuring no duplication between Timor-Leste's existing AusAID Management and Leadership Programme and the proposed Global Partnership Management Strengthening Project; an action plan for the MSAF development; and relevant changes to the PAD. The country response explains that, while the finalized MSAF will not be completed until February 2012, the country team is developing initial priorities for the MSAF sufficient to guide project implementation and procurement planning and will share this with the Secretariat by December 15, 2011. The finalized MSAF will be developed in early 2012. The country team is instituting a process for third party verification of activities by the LEG within existing sector coordination mechanisms (Quarterly Education Sector Coordination meetings, annual Joint Sector Reviews (JSRs), and additional meetings as called by the Ministry). The country team also points out that initial capacity situation analyses have been undertaken as part of the AusAID Management and Leadership Programme preparation as well as in the MSAF inception analysis. A substantial Capacity Assessment will be undertaken in November 2011 as part of the action plan for MSAF and will be finalized by end-February 2012. Indicative TORs are being developed for an Institutional Partnership and the main areas of support have been identified through discussion (eg. budget and finance advice, support for management training programs for staff, legal strengthening advice, etc).These TORs will be available for December 1, 2011.

Secretariat Final Remarks

The EQR panel findings highlight areas identified for strengthening and/or further monitoring by the country team. The panel's careful review of documentation and consideration to Timor-

Leste's specific country context (recently transitioning out of fragile state status) are noted. Where further clarity was needed, the panel engaged directly with the country team for additional information to inform the assessment. Overall, the Secretariat finds the panel's assessment fully satisfactory.

The Timor-Leste country team has used the opportunity of the EQR Exercise to strengthen the focus on baseline monitoring, detailed implementation planning, and donor coordination in support of priority management strengthening in the Ministry of Education. They have responded substantively to the EQR Panel's findings with a number of supplemental documents to substantiate the implementation readiness of the proposed project. Overall, the Global Partnership Secretariat finds the country team's answers to issues and questions raised by the panel to be fully satisfactory.

Timor-Leste has been a Global Partnership developing country partner since 2005. Timor-Leste has previously received Global Partnership grant funding and has established a strong record of timely disbursement. Outcome indicators related to primary grade enrollment and drop-out suggest significant progress. In agreement with Global Partnership goals, the proposed project progresses achievement towards: gender parity in education access and management; universal basic completion; and the elimination of illiteracy. Timor-Leste has placed particular focus on reaching marginalized children. The LEG, however, has identified management systems capacity as a barrier to effective delivery of quality education. This additional support should help strengthen education sector management systems to ensure effective implementation of the NESP, strengthen public financial management, and strengthen the capacity of the sector to undertake evidence-based planning.

It was not possible for the EQR panel to assess two separate proposals –one for US$2.8 million and one for US$5 million. Therefore, in-line with the NPF, the Secretariat advised the panel to undertake the EQR of the US$2.8 million funding scenario.

FAC RECOMMENDATION (TIMOR-LESTE)

- **Recommendation Category: Allocate full amount as requested**
- **Amount: US$2,800,0000**
- **Planned grant implementation period: 2012-2014 (3 years)**
- **Supervising Entity: World Bank**
- **Comments**: The program's focus on capacity development and the strong justification provided for this focus is appreciated. There has been good use of previous grants from the Catalytic Fund and there is a clear need to provide support to Timor Leste, a country in transition from post-conflict stabilization to development.

It should be noted that a request for US$5,000,000 was also submitted but it is not recommended because there is inadequate justification to depart from the indicative allocation in the Needs and Performance Framework.

- **Considerations going forward**:
  - Further reflection on the gender dimensions of the proposed program including the opportunities it offers for advancing gender equity
  - Increasing the low levels of domestic financing for education