JANUARY 29, 2021

GRANTS AND PERFORMANCE COMMITTEE

ALLOCATION FOR A COSTED RESTRUCTURING OF THE AFGHANISTAN ESPIG

Reference	Decision
GPC/2021/01-02	**Allocation for a Costed Restructuring of the Afghanistan Education Sector Program Implementation Grant (Additional Financing)** The Grants and Performance Committee in its delegated authority from the Board and with respect to the application submitted in the fourth round of 2020: 1. Notes compliance with the requirements on the education sector plan and data for accessing the fixed part of the additional financing maximum country allocation (MCA), as described in the application and summarized and assessed in GPC/2021/01 DOC 02. With regard to the domestic financing requirement, while Afghanistan has only partially fulfilled its commitment with regard to overall financing for education due to security shocks and the pandemic, the government has renewed its commitment to

gradually increase its share of public investments in education towards the 20 percent benchmark. The commitment with regard to financing for primary education has been fulfilled.

2. Notes compliance with meeting the requirements for accessing the variable part of the MCA and approves the indicators on Equity, Efficiency, and Learning and their means of verification as described in the application and assessed in GPC/2021/01 DOC 02.

3. Approves an allocation from GPE trust funds for the costed restructuring of the ESPIG, as described in the application submitted and summarized in Table 1 in GPC/2021/01-02 3 (c), subject to:

   a. Availability of funds.

   b. Board decision BOD/2012/11-03 on commitment of trust funds for ESPIGs in annual installments.

   c. Secretariat recommendations for funding, including (all amounts in US$):

Table 1 – Afghanistan		
a.	Additional Financing MCA	25,000,000
b.	Fixed Part	17,500,000
c.	Variable Part	7,500,000
d.	Allocation Requested (100%)	25,000,000[1]
e.	**Allocation Decision by GPC**	**25,000,000**
f.	Grant Agent	World Bank
g.	Agency Fee % - Amount	1.75% - 437,500
h.	Period	2 years and 10 months
i.	Expected Start Date	March 15, 2021
j.	Variable Part Disbursement Modality	Ex-post
k.	Funding Source	GPE Fund

4. Requests the Secretariat to:

   a. Include in its notification of grant approval to Afghanistan the condition, requests for report-back and observations set out in

[1] There are no costs charged to the grant budget for the grant agent to perform its roles and responsibilities.

	Annex A. b. Include an update on the issues listed as report back in Annex A in the annual Grant Status Report in accordance with the specified timeline.

Annex A – GPC Observations and Report-Backs

Afghanistan	
Observations	The Committee welcomes the program's innovative emphasis on gender-based violence prevention in schools and commends the government's efforts to improve gender equity in the education system. The Committee inquired about progress made on the implementation of the EQRA program and looks forward to continuing to receive the annual report-backs requested at the time of the approval of the ESPIG, including on domestic financing. The Committee understands that the pandemic and security situation have both put pressures on the national budget, resulting in a fall of the share of education. The Committee emphasizes the protection of the education budget, also during those conditions, and urges an affirmation of the commitment to progressively increase the share of education in the national budget. The Committee reminds the grant agent that the indicators of the variable part are expected to be timebound and that, while the GPE policy allows programs to include a rollover of up to 12 months for achieving the variable part results, these rollovers have to be communicated to the Secretariat, and any additional extension to reach the target has to be submitted for approval in advance, as retroactive restructuring of the variable part is not possible. The Committee further notes the impact of the pandemic on education systems. Recognizing that some measures have already been taken, the Committee invites the government and the grant agent, in consultation with the local education group, to continue consider adapting the proposed program to emerging issues, notably impact on children learning as a result of school closures, as needed.
Report-Backs	*For the Grant Agent:* The Committee requests the grant agent to provide updates on the variable part indicators and strategies via its regular annual progress report, as follows:

	▪ On the Efficiency strategy, a report-back on the use of impact evaluation results, including presentations at policy forums and publications after the evaluation has been completed. ▪ On the Equity strategy, a report-back (i) on who will be the participants of the Gender-Based Violence (GBV) training; (ii) on the use and implementation of the GBV action plan after training has been completed; (iii) on how the GBV action plan will be implemented in coordination with government agencies different from the Ministry of Education (in particular with the Ministry of Women's Affairs, and the health, justice, and security sectors), and on how the GBV interacts with current laws and regulations. ▪ On the Learning strategy, a report-back: (i) on the possibility of linking teacher training to the different evaluation efforts performed under the Education Quality Reform in Afghanistan (EQRA), including classroom observations, so that the effectiveness of the training can be assessed and its high quality guaranteed; and (ii) on the targeting for the learning and equity strategies, including clarification of the term "relevant" under the equity strategy. *For the Government*: The Committee also looks forward to receiving additional information from the government on progress made and upcoming plans to expand access to quality education services for children with disabilities and for refugee children. The Committee requests the Secretariat to follow up with the local education group and the government on this matter.

Annex B – Secretariat quality assurance review phase III report

QUALITY ASSURANCE REVIEW – PHASE 3

AFGHANISTAN

Additional MCA

Proposed GPE Grant Amount: Total Additional Financing of US$25 million (on existing US$ 100 million ESPIG).
Fixed Part: US$17.5 million;
Variable Part: US$7.5 million
Implementation period: 2 years 10 months
Projected implementation start date: March 15, 2021
Grant Agent: World Bank.

1. BACKGROUND AND EDUCATION SECTOR OVERVIEW

1.1. COUNTRY BACKGROUND

Afghanistan is a low income, landlocked country that continues to face immense humanitarian, social and political challenges due to a protracted crisis. Violations of international law and human rights are common, with deliberate attacks on civilians and civilian objects, including humanitarian workers, schools and medical facilities. In 2019, the conflict intensified as sectarian violence increased, leading to more than 10,000 civilian causalities and a total of 2,993,000[1] internally displaced persons. In addition to the violence, the COVID-19 pandemic reached the country in March 2020. The consequences of the pandemic now affect all aspects of life and threaten the most vulnerable, creating new needs and aggravating existing ones.

Despite persistent conflict, Afghanistan witnessed strong economic growth at an average of 9.4 percent per year over the last decade. Growth has been driven by investments in reconstruction, expansion of services supported by aid, and periodic surges in agricultural production. Reforms in public financial management and the business environment have also contributed to an increase in revenues since 2014. The economy grew by 3.9 percent[2] and domestic revenues reached 14.1 percent of GDP in 2019, though the economic situation remains vulnerable and the country remains dependent on development assistance. The impact of economic growth on

[1] Humanitarian Response Plan.
[2] World Bank (2020). Afghanistan country context. Retrieved from: https://www.worldbank.org/en/country/afghanistan/overview

poverty reduction and improved living conditions has been uneven. Insecurity remains one of the biggest challenges for public service delivery and poverty reduction, damaging human capital, constraining productive economic activities, increasing social unrest, generating unequal access to basic services, and increasing political instability. It is expected that the COVID-19 pandemic and recent increase in violence will further limit economic expansion in 2020.

Similarly, Afghanistan has secured substantial improvements in development outcomes since 2001 but strong challenges remain. Access to water, sanitation, education and health services has expanded, though enormous economic and development challenges persist. Poverty remains prevalent across the country, increasing from 36 percent in 2012 to 55 percent in 2016-2017. The unemployment rate also increased from 8.2 percent in 2008 to 22.6 percent in 2014. An estimated 10 million people have limited or no access to essential health services, and infant mortality rates are among the highest in the world, with 1.9 million people suffering from severe food insecurity and 40 percent of children under the age of five stunted.[3]

Afghanistan	
Population	37.17 million (2018, World Bank)
Human Development Index Ranking	170 out of 189 countries (2019, Human Development Report)
Learning-adjusted Years of School	Boys: 5.5, Girls: 3.9
GDP	US$ 19.36 billion (2018, World Bank)
GDP per capita	US$ 520.90 (2018, World Bank)
World Bank Income Classification Level	Low income (2021 Fiscal Year, World Bank)

1.2. EDUCATION SECTOR OVERVIEW

Since 2001, Afghanistan has made significant progress in rebuilding its education system with the support of Development Partners (DPs). In fact, access has increased significantly. Total student enrollment has grown more than eight-fold in the past 17 years, increasing from approximately 1.1 million students (with a small participation of girls) in 2001 to more than 9.6 million students in 2018. Enrolment in primary education grew from 0.8 million students to 6.5

[3] World Bank (2020). Afghanistan country context. Retrieved from: https://www.worldbank.org/en/country/afghanistan/overview

million and in the secondary education from 0.4 million to 3.0 million[4]. Girls enrollment in education, from primary to secondary education, increased three-fold between 2003 and 2018, while boys enrollment only two-fold during the same period. This growth has been buttressed by a substantial expansion of the school infrastructure and the number of primary and secondary teachers. Over the period of 2007 to 2018, the number of schools increased from 3,400 to 16,400 and the number of primary and secondary teachers increased from 147,000 to 225,000.

Despite impressive growth, important challenges remain in terms of access to education and the supply of schools. Half of the student population is still taught under tents or in open air, and many more do not have access to education. The number of Out of School Children (OOSC) is high at an estimated 3.5 million children[5] with a further 1 million children described as "permanently absent"[6] from schools by the Ministry of Education (MoE)[7].

The country's long-term vision of the sector is captured by the Third National Education Sector Plan (NESP III), which covers 2017 to 2021. NESP III aims to prepare skilled and competent citizens through the education system anchored in (i) quality and relevance; (ii) equitable access; and (iii) efficient and transparent management. As NESP III expires in 2021, the Local Education Group (LEG) has started the preparation of NESP 2030.

In 2020, the ongoing positive evolution of the sector was interrupted by the COVID-19 pandemic. All schools were closed in March and the MoE quickly mobilized to respond to the crisis by designing and implementing a two phased plan. In the first phase, the Ministry implemented emergency responses to continue service delivery, combining different distance modalities like television and radio. The second phase focuses on reopening schools safely. Upper secondary schools were reopened in September and primary and lower secondary schools in October.

1.2.1. Equity:

Stark disparities exist in the country linked to geographic location, socioeconomic conditions and gender. Poor children in rural areas face greater challenges to access education, particularly girls. 77.8 percent of urban children attend primary education compared with 50.4 percent of their rural peers (in secondary: 55 percent vs. 27 percent, respectively). Similarly, 79

[4] Latest data available. Data source: UIS – UNESCO.
[5] School aged population, from 7 to 18 years old.
[6] These are children who were absent from school but were kept on the registry of enrolled children for administrative reasons.
[7] Education Sector Analysis of Afghanistan, Page 9.

percent of children from the richest households attend school compared with 40 percent of children from the poorest households (in secondary: 55 percent vs 16 percent, respectively) With regards to gender, whereas the primary net enrollment rate is 86 percent for boys, the number is just 64 percent for girls[8] (in secondary: 41 percent vs 21 percent, respectively).

Several factors explain these differences in enrollment rates. At the primary level, on the demand side, the causes of non-attendance among boys appear to be primarily economic and age-related, while among girls the key issues are cultural factors and insecurity[9]. On the supply side, issues include challenges in terms of the number of schools and teachers, which mostly affect rural areas and girls in those areas[10]. At the secondary level, similar patterns persist, though economic factors become a stronger deterrent for school enrolment for males and security issues for females[11]. Moreover, the Gender-based violence (GBV) and Sexual Exploitation Abuse and Harassment (SEAH) remain widespread in Afghanistan, particularly impacting girls. Their prevalence discourages school attendance and decreases school performance, negatively impacting gender equality and overall human capital development.

Children with disabilities have low enrollments and high dropout rates. The majority of the estimated 200,000 Afghan children with disabilities do not attend school[12], likely reflecting supply and demand issues with education services for this population. On the supply side, education services for students with disabilities are scarce, and the existing services are not adequately equipped to accommodate their needs. On the demand side, there is a common belief that children with disabilities cannot learn at the same level as their peers. Parents therefore have lower expectations and tend not to enroll them in school. Girls with disabilities are at greater risk of not assisting school and dropping out because of discrimination due to both their gender and their disability[13].

1.2.2. Learning outcomes:

Learning outcomes are generally low in Afghanistan. A 2013 ACER survey of Grade 6 students indicated that 37 percent of students were unable to perform basic arithmetic such as adding

[8] Education Sector Analysis of Afghanistan, page 61.
[9] Education Sector Analysis of Afghanistan, page 74.
[10] Given riskier conditions for long commutes for girls.
[11] Education Sector Analysis of Afghanistan, page 74.
[12] Swedish International Development Cooperation Agency (SIDA 2014). Disability Rights in Afghanistan. Retrieved from https://www.sida.se/globalassets/sida/eng/partners/human-rights-based-approach/disability/rights-of-persons-with-disabilities-afghanistan.pdf
[13] Human Rights Watch (2020). Disability is not a weakness: Discrimination and Barriers Facing Women and Girls with Disabilities in Afghanistan. Retrieved from: https://www.hrw.org/sites/default/files/report_pdf/afghanistan0420_web_0.pdf

two-digit numbers. In language, while most Grade 6 students were able to read a simple sentence, only 20 percent of students were able to write one[14]. Causes for low learning outcomes are linked to inadequate teacher qualifications, as half of the general education teachers do not meet the minimum qualification requirements for teaching. Other factors include poor school facilities, inappropriate curriculum, inadequate and insufficient textbooks and learning materials, inefficient and untimely distribution of textbooks, and poor school management.[15]

1.2.3. Efficiency:

With regards to efficiency, two related dimensions affect Afghanistan. Inefficiencies linked to the systems' ability to produce graduates as well as operational efficiencies of the sector as a whole. Only 31 percent finalizes primary education, but this rate conceals significant disparities[16]. Whereas 40 percent of boys finalizes primary school, only 21 percent of girls do. Similarly, 42 percent of urban dwellers finalize primary school compared to 28 percent of rural dwellers, and 41 percent of children from the wealthiest quintile finalizes primary school compared to 21 percent of children from the poorest quintile[17]. This result is explained by the low intake into first grade and share of children who drop out before Grade 6 (14 percent[18]). Insufficient data exists to accurately assess repetition. Most children that make it to the end of primary transition to secondary, with transition rates as high as 93 percent.

Low system efficiency, i.e. efficiency in the management of resources, is linked to poor information systems, corruption, as well as other factors. NESP III recognizes efficiency as a crosscutting theme that needs to be embedded in all aspects of MoE's operations. To improve on this dimension, NESP III's key strategies include i) a functional review of the MoE and associated human resources; ii) results and norms-based system of resource allocations for equitable service delivery; iii) a results-based institutional framework and organizational structure with defined core functions and competencies; iv) development of annual operational plans which will focus more on annual output targets as set in the Monitoring matrix; and v) strengthening Monitoring and Evaluation capacity to support evidence-based decision making.

[14] ACER, 2013. A similar study (SABER SDI, 2018) found that On average, Grade 4 students scored only 30 percent on the language test and 25 percent on the mathematics test.
[15] Education Sector Analysis of Afghanistan, page 11
[16] Education Sector Analysis of Afghanistan, page 68.
[17] Idem.
[18] Education Sector Analysis of Afghanistan, page 69.

1.2.4. Monitoring of Sector Performance:

NESP III notes that monitoring of education performance has significantly improved over the last few years with two dedicated units in MoE: (i) the Monitoring and Reporting unit under the EMIS Directorate, and (ii) the Research and Evaluation Unit under the Directorate of Strategic and Operational Planning responsible for M&E. As established by NESP III, the MoE will implement transparent data collection methods and supervision to reduce the risk of misreporting in the enrollment rates and other key sector indicators.

Annual Joint Sector Reviews (JSRs) are also included in NESP III. The last JSR took place at the end of 2019 and its results were presented to the Minister and the Local Education Group (LEG) in March 2020. These reviews will continue to help the coordination between the MoE and DPs on planning and sector performance monitoring. LEG members include bilateral and multilateral organizations, national and international Non-Governmental Organizations and Civil Society Organizations. Mostly, civil society is represented through bodies such as the Afghanistan National Education Coalition and the Agency Coordinating Body for Relief and Development.

2. FIXED PART REQUIREMENTS

According to the Guidelines for applying for an Additional Maximum Country Allocation and given that the parent ESPIG program in Afghanistan was approved less than two years ago, only Requirement 2 of the Funding Model needs to be revisited and met as part of this application process[19].

2.1. Requirement 2: Evidence of commitment to ESP or TEP and its financing.

In 2017, at the time of Afghanistan's original ESPIG application, the budget allocated to the education sector (excluding debt service) was 13.1 percent of total government expenditure, which the country committed to increase to 13.4 percent by 2020. The allocation for 2018 and 2019 reached 13.4 percent, higher than the commitment for 2018 and 2019 of 13.2 percent. However, in 2020 the allocation dropped to 11.9 percent in the approved budget (pre-COVID) and 11.5 percent in the updated 2020 budget (during COVID)[20], below the target. This decline was driven initially by a shift in resources towards security expenses and then by the COVID-19 crisis. The current health pandemic has led to budget readjustments, resulting in a sharp reduction in the budgeted capital expenditures between 2019 and 2020, while the budgeted

[19] GPE Guidelines for Applying for Additional Maximum Country Allocation, Page 3.
[20] The government has provided an updated version of the 2020 Budget, including initial realizations and their forecast for the rest of 2020.

recurrent expenditures have increased. It is likely that further adjustments will be made to the 2020 National Budget, reflecting the full impact of the COVID-19 pandemic in government finances. Nevertheless, the government has committed to increase the allocation to 12.8 percent, 13.6 percent and 14.0 percent by 2021-2023. Based on the updated domestic financing information (October 2020) and the exceptional considerations for the 2020 fiscal requirements, this requirement is deemed as partially met.

Afghanistan has not yet achieved Universal Primary Education, therefore as part of the requirement, the country is requested to allocate at least a 45 percent share of their recurrent education budget to primary education. The updated domestic finance matrix shows that the share of the budget allocated to primary education has been above 50 percent since 2017 and it is expected to remain at those levels through 2023.

Conclusion:

Regarding the 20% benchmark, Afghanistan only partially fulfilled its commitment from 2017 to increase the domestic share of resources devoted to education. The progress achieved was interrupted in 2020 by security shocks and the current COVID-19 health crisis. Nonetheless, Afghanistan has committed to gradually increase its share of public investments in education up to 14 percent by 2023.

Regarding the requirement on the allocation of the recurrent expenditures to primary education (45 percent), this is deemed met.

3. ESPIG

3.1. PAST ESPIG PERFORMANCE

Afghanistan became a GPE member in 2011. In 2012, the country received its first Education Sector Program Implementation Grant (ESPIG)[21] for US$ 55.7 million and in 2018, the country received its second grant for US$ 100 million. This last ESPIG finances the parent program for this AF proposal. In addition, the country received two accelerated funding grants in 2020, which are currently under implementation: a COVID-19 Accelerated Funding for US$ 11 million in June 2020, and a regular Accelerated Financing to support the Humanitarian Response Plan for US$ 20 million in September 2020. Both accelerated financing grants are aligned with the ESPIG and the AF proposal. The first one, among other activities, supports improvements in WASH facilities Interventions aligned with the infrastructure component of EQRA, and the

[21] At the time, these grants were named as Program Implementation Grant (PIG).

second one supports the expansion of education in rural areas through CBE, complementing ongoing efforts of EQRA and Education Cannot Wait.

3.1.1. Education Quality Reform in Afghanistan (EQRA)

The current 5-year ESPIG became effective in 2019 and finances the Education Quality Reform in Afghanistan (EQRA) program with the World Bank as the GA. The program is aligned with the NESP III (2017-2021) and supports the efforts of the government of Afghanistan to increase equitable access to primary and secondary education, particularly for girls in targeted provinces as well as improve learning conditions. The main activities supported by the program are construction of new schools, rehabilitation of existing schools, expansion of school supply through Community Based Education (CBE), teacher training and coaching, development of textbooks and relevant learning materials, and improvement of the Education Management and Information System (EMIS). The government has shown a strong ownership of the program. The program is implemented by the MoE and the Ministry of Rural Rehabilitation and Development (MRRD) using their regular units.

The program is co-financed by a US$ 100 million grant from GPE, a US$ 100 million grant from the Afghanistan Reconstruction Trust Fund and a US$ 75 million grant (originally US$ 100 million) from the International Development Association. The EQRA program became effective in early 2019 and is expected to close by December 2023. The program's modality is hybrid with an investment project portion[22] (US$ 224 million, of which US$ 65 million is from GPE's ESPIG) and a results-based portion with 7 Performance Based Conditions (PBCs)[23] (US$ 74 million, of which US$ 33 million is from GPE's ESPIG).

3.1.2. Report-backs and Implementation of current ESPIG

The most recent Implementation Status Report by the GA[24] rates the performance of the EQRA program as Moderately Satisfactory (MS). The program experienced initial delays in the process of approvals of operation manuals and work programs that have been overcome. In 2020, the COVID-19 pandemic also limited the implementation of certain activities. With regards to the results-based components, four indicators were expected to be achieved between 2018 and 2019 from three strategies assessed during the ESPIG application as the Variable Part. Out of those four indicators , one has been achieved and verified, one has been achieved pending verification, one has been partially achieved pending verification and one has not been achieved, though it is on track to be achieved before the end of 2020 (see Table D for detailed information by indicator).

[22] Investment Project Financing (IPF) according to WB terminology.
[23] Results Based Financing (RBF) according to WB terminology.
[24] The report is dated in May 2020. A new ISR is expected by December 2020.

At the time of approval, GPC requested four report-backs, which are outlined in Table A below.

Table A: GPC report-backs after ESPIG approval

Report-backs	Status and actions (as of November 2020)
Education Financing The Committee urges Afghanistan to increase the share of education in the budget and notes that currently the conservative estimate in NESP III is being surpassed. In addition, the Committee requests an annual report back from the coordinating agency on behalf of the local education group and via the Joint Sector Review Report on the actual share of education for the duration of the grant period, along with an analysis of the budget to enable the Committee consider the evolution of Afghanistan's education budget in context.	The Grant Agent has submitted an updated domestic financing matrix in the context of this AF application. According to the matrix, Afghanistan has met the domestic financing targets for 2018 and 2019, though there was an important decline in 2020 due to security and health issues. Though, the matrix presents an important increase for 2021-2023.
Systemic issues While acknowledging the heavy need for infrastructure, as included in the endorsed NESP III, the Committee is concerned around the implementation of the large portion of infrastructure in the co-financed Education Quality Reform in Afghanistan (EQRA) program and in the fragile context of Afghanistan, with the risk of delays and extensions. The Committee requests the grant agent follow the program's performance more closely in this regard, including the anticipation of any potential restructuring, and requests an annual update of related country-level discussions as part of the grant agent's regular progress reporting.	School construction is progressing well with some delays due to COVID and in some cases due to security problems. As of June, 2020, technical proposals for school construction have been approved for 68% of total 2,647 schools and of these, nearly 70% of the approved proposals are now under construction. Construction of 459 schools (318 new school buildings and 141 schools with missing items) has been completed. Despite the good progress, the component has been facing several issues including cost enhancement, safeguard incompliance, delays in communication due to changes in the management team. The project maintains a strong monitoring mechanism consists of several layers such as MRRD self-reporting, MoE team monitoring during the project implementation and at handover stage and finally the Bank's Third Party Monitoring Agency regularly visits site, and Third Party Verification Agency hired by MoF will verify the completion of a sample of schools prior to releasing the second sequence of financing. This AF proposal incorporates ongoing lessons from EQRA implementation.
Systemic issues The Committee notes that the Community Based Education (CBE) elements of the program have not resulted in the inclusion of a CBE indicator in the program's results framework. Additional information provided by the grant agent indicates that the CBE data system in Afghanistan is not yet mature enough to capture such data, which therefore precludes including it as a specific target in the program's results framework. The program commits to earmarking US$10 million to supporting the EMIS to better capture CBE data, implement the 2018 CBE policy and guidelines, as well as working and work with all development partners to support the expansion of CBE in a more harmonized and sustainable manner, to a minimum of 33,000 additional students. The GPC requests the grant agent to include an update on this in its regular annual progress reports.	The MoE has advanced preparation for the establishment of CBE classes. The MoE continues to stick to the 2021 timeline for the actual expansion of CBE. So far, MoE has completed the implementation manual for this sub-component, collected data for the existing CBEs which will help in identifying the need for future CBE classes. MoE is currently working on developing the tools for the needs assessment of CBE classes. This AF provides additional resources to expand the students attending CBE.

Education Financing The Committee requests that the Grant Agent Allocation (supervision fees) be adjusted once the IDA and ARTF contributions to supervision have been finalized, to ensure a fair attribution of supervision costs across the three co-financing sources. The Committee requests the grant agent to share the finalized supervision fee allocation with the Secretariat.	The Bank team received Bank Budget (Cash Value Budget) in the amount of US$50,000 from July 2019 to June 2020. The Task Team will receive almost same amount of Bank Budget in this FY (July 2020 to June 2021). The bank has not requested supervision funds for this AF proposal.

As of October 2020, EQRA has disbursed US$ 78.8 million, equivalent to 26 percent of the combined grant. The next disbursement to cover the IPF part of EQRA is expected in January 2021. The disbursements of the RBF part have been limited, due to the lack of experience of the Ministry of Finance (MoF) with this type of instrument and to initial delays in the hiring process of a Third-Party Verification Agency, which has already been hired.

Disbursements of GPE funds have only reached US$ 4.5 million. The low disbursement of GPE funds vis-a-vis those of the combined grant reflects the lack of availability of GPE resources at the time the first advance to the government was made. The program was approved by the WB Board in September 2018 and became effective in January 2019 with the first disbursement in February 2019. The ESPIG was approved two months later than the program approval, in November 2018, and it also became effective two months later, in April 2019[25]. The GA has indicated that approximately US$ 50 million of the estimated US$ 75 million to be disbursed in January, will come from GPE resources.

As indicated by the GA, school construction has advanced well. As of May 1st, technical proposals were approved for 68 percent of total 2,467 schools. Nearly 70 percent of the approved proposals are now under construction. A total 459 schools had been completed by May 1st.

Key implementation areas:

- The MoE lacked experience with results-based financing and had concerns regarding predictability in resource availability to implement EQRA, with the specific risk that the MoF would not be able to provide necessary upfront budgetary cover for MoE. This risk has been mitigated with the one-time advanced payment from MoF as well as process-based approach to monitor the achievement of the PBCs.

[25] There was a delay by the government on the process of signing the Grant Agreement.

- Reliability of data remains a concern. Steps have been taken to improve the confidence level of the reliability of EMIS data, including a systematic review of the EMIS and an introduction of controls during data collection to enhance the accuracy.

- Many mechanisms have been in place to address corruption in school construction, though some challenges remain. MRRD is responsible for school construction which has been advancing well. The project maintains a strong monitoring mechanism consisting of several layers including MRRD's self-reporting, close monitoring by MoE at handover stage, frequent site visits by the Bank's Third-Party Monitoring Agency, and Third-Party Verification Agency, hired by MoF, that regularly verifies the completion of a sample of schools prior to releasing the second tranche of financing. Despite the good progress, the project is facing several issues including cost escalation, lack of compliance to safeguards, and delays in communication due to changes in the management team.

To accommodate the COVID-19 pandemic, the EQRA program has recently undergone an initial restructuring process in which the use of GPE's ESPIG resources has remained unchanged. Through this first restructuring, a total of US$ 26 million resources were reallocated from the IDA contribution to support urgent needs of the government to cover COVID-19 related expenditures. Moreover, the Secretariat has received a restructuring proposal of EQRA's PBCs, including the VP, which will be reviewed in January 2021.

3.2 ESPIG DESCRIPTION

The AF expands the reach of key activities of its parent program, the EQRA program, and will speed up the achievement of the NESP III targets, especially on (a) Quality and Relevance, (b) Equitable Access and (c) Efficient and Transparent Management. The AF maintains EQRA's PDO: "to increase equitable access to primary and secondary education, particularly for girls, in selected lagging provinces and to improve learning conditions in Afghanistan". This AF comprises a Fixed Part (US$ 17.5 million or 70 percent) and a Variable Part (US$ 7.5 million or 30 percent). Its design follows the parent program and aims to finance the scaling-up of activities in its four components. The AF includes two new interventions: teacher training on Early Grade Reading (EGR) and support to the development and implementation of the Gender-Based Violence (GBV) action plan. Project targets have been scaled-up to reflect increased resources.

Table B: SUMMARY OF EGRA AND AF

Parent program	Additional Financing Contribution
Component 1: Equitable access to basic education	
IPF	
Construction and rehabilitation of schools	Additional Financing will finance the construction of 100 new schools and rehabilitation of 30 schools.
Support expansion of CBE	Additional Financing: Additional US$ 5 million to CBE.
RBF	
N/A	N/A
Component 2: Improving learning conditions	
IPF	
N/A	N/A
RBF	
Improved teaching quality rating based on classroom observations	
Existing textbooks distributed and teaching and learning materials for the new curriculum developed for all grades *	
	Additional Financing: Evaluation of subject-level teacher training
	Additional Financing Support EGR training
Component 3: Strengthening Education Sector Planning Capacity and Transparency	
IPF	
N/A	N/A
RBF	
Improved EMIS data collection and quality assurance procedures implemented *	
Development and implementation of a teacher policy for prioritization in the hiring and allocation of teachers based on need *	
Integrated personnel database for education staff stablished	
Annual results-based reports implemented between MoE, PEDs and DEDs	
NESP III operational plan on management and budgeting cycle developed and results reported	
	Additional Financing: Support implementation of GBV action plan
Component 4: Technical Assistance	
IPF	
Technical assistance	Additional Financing: Technical assistance for new activities

'* Denotes strategies / PBCs highlighted in the ESPIG application as the GPE Variable Part.

The proposed AF comprises the following activities:

Component 1. Increase equitable access to basic education (additional financing US$15 million). The AF will support two activities under this component that address the acute shortage of schools in Afghanistan and will help achieve NESP III targets. The lack of schools limits attendance, especially for girls in selected provinces. The activities to be financed include:

(i) Component 1.1 (additional financing US$ 10 million). Construction of additional 100 school buildings and provision of missing essential elements to 30 existing schools (such as missing classrooms, boundary walls, water points, and latrines). This will expand the current progress in school construction[26]. The new schools under the AF will be constructed in areas which have CBEs but no existing regular schools.

(ii) Component 1.3 (additional financing US$ 5 million). Further expansion of school supply through CBE. The subcomponent will support the hiring and paying of teachers, teaching and learning materials and monitoring and evaluation of CBEs. Under EQRA, the CBE operating manual is scheduled to be completed by early 2021. With the support of the AF, the CBE expansion will increase total number of beneficiaries from 33,000 to 49,500 students.

Component 2. Improving learning conditions for students (additional financing US$ 6.5 million). The activity supported by the AF is within subcomponent 2.1. Through the variable part, this activity will incentivize teacher training and the improvement of teacher policies (to be described in section 4.1).

Component 3 focuses on strengthening education sector planning capacity and transparency (additional financing US$ 1.0 million). The AF will support the development and implementation of GBV action plan within sub-component 3.2 (to be described in section 4.1).

Component 4 Technical Assistance (TA) (additional financing: US$ 2.5 million). The implementation of EQRA and the proposed AF is embedded in the line departments of the MOE (with no specific project PMU). This component will include activities designed to strengthen project management and early identification of corrective measures to solve any implementation problems, especially those delays linked to the COVID-19 pandemic and other systematic requirements. It will support institutional capacity development activities such as capacity building for civil servants arranged in line with their human resource mapping and

[26] Technical proposals have been approved for 68% of total 2,647 schools and of these, nearly 70% of the approved proposals are now under construction. Construction of 459 schools (318 new school buildings and 141 schools with missing items) has been completed as of May 1, 2020.

development plan. The AF will support additional technical assistance (both local and international) to improve implementation capacity, project management, related training, operational costs, M&E, and additional TA. To ensure effective use of resources, the budget for this component under the AF has taken into account investments already made under the EQRA project in staff development.

Table C: ESPIG and AF Components and Costs

	PARENT PROGRAM			GPE Additional MCA US$	% of each component	Original + Additional MCA US$
	GPE Original ESPIG US$	IDA and Afghanistan Reconstruction TF - US$	Original total US$			
1. Equitable Access to Basic Education	54,000,000	136,000,000	190,000,000	15,000,000	60%	205,000,000
2. Improving Learning Conditions (RBF, including GPE's VP)	16,000,000	19,000,000	35,000,000	6,500,000	26%	41,500,000
3. Education Sector Planning Capacity and Transparency (RBF, including GPE's VP)	17,000,000	22,000,000	39,000,000	1,000,000	4%	40,000,000
4. Technical assistance	11,000,000	23,000,000	34,000,000	2,500,000	10%	36,500,000
Sub-total of Components	**98,000,000**	**200,000,000**	**298,000,000**	**25,000,000**	**100%**	**323,000,000**
Grant Agent's Implementation Support Costs	**2,000,000**					**2,000,000**
Agency Fees	**1.750,000**			**437,500**		**2,187,500**
Selected PBCs for GPE VP 1/						
A Focus on Equity	8,000,000			1,000,000		
B Focus on Efficiency	3,500,000			1,000,000		
C Focus on Learning Outcomes	6,000,000			5,500,000		
D Other PBCs	15,000,000					
Total	33,000,000			7,500,000		

1/ Out of the seven PBC in the original ESPIG, three were highlighted as GPE VP. Though other PBCs also contribute to Equity, Efficiency and Learning Outcomes

The proposed AF will use the parent program's implementation arrangements and monitoring and evaluation (M&E) framework, which links to the government mechanisms in the MoE and MRRD. This AF will benefit from the experience gained through ongoing implementation of the parent program. The LEG has been actively involved in the development of this proposal and have discussed and endorsed all program components.

3.3 ASSESSMENT OF THE PROGRAM DOCUMENT

The final application reflects a significant amount of work undertaken by the government, the GA and the LEG to assess and incorporate QAR II recommendations, which included: (i) elaborating the targeting process for school construction and CBE interventions; (ii) adding further detail on the status of the implementation of the CBE strategy; (iii) clarifying construction

costs, as they appeared higher than the GPE standard; and (iv) adding a description of how the COVID-19 pandemic can potentially affect AF program implementation and its mitigation measures.

The resulting program is aligned with GPE strategic goals of efficiency, equity and learning, as it seeks to promote improved and more equitable learning for Afghanistan's most vulnerable children, especially for girls. Furthermore, this AF program continues to meet all of the 7 GPE Program Quality Standards just like its parent program (see Annex 2).

Program Design

The proposed AF program adequately builds on and complements its parent program, which began in early 2019. The AF program is aligned with the NESP III (2017-2021) and will accelerate the achievement of its objectives. Although the parent program experienced some initial delays, the most recent Implementation Status[27] Report produced by the GA rates the EQRA program as moderately satisfactory.

Program Budget

The AF program application allocates additional funds to EQRA components and overall, its budget costs assessed to be reasonable. In this sense, the AF budget outlines program costs for Components 1 and 4 totaling US$ 17.56 million, which correspond to the Fixed Part. The proposed construction costs are based on actual costs from EQRA implementation and are higher than in other countries. Nevertheless, the GA clarified that this is due to additional expenses linked to security and elevated construction material costs.

Monitoring and Evaluation

The M&E framework and arrangements are detailed and comprehensive and remain unchanged from the EQRA program. Although reliability of data remains a concern, some steps have been taken to improve the confidence on the EMIS data, such as a systematic review of the EMIS and introducing some controls during data collection to enhance its accuracy. EQRA will continue focusing on: (a) integrating learning, human resources, and data; (b) involving local entities in monitoring quality of data reported; and (c) using more advanced statistical techniques to check for data errors/misreporting.

The original comprehensive EQRA results framework remains valid and operational. Targets have nevertheless been adjusted where relevant to reflect activities that are part of the additional financing, e.g. additional construction outcomes (C1.1), CBE access (C1.3) and TA recruitment (C4). The end of project target for OOSC and girls have also been updated. New indicators (PBCs) have been added to cover the two new areas of work – C2.1 (EGR for teacher training) and C3 (GBV action plans). These are appropriately described and integrated into the overall results framework. No changes are anticipated in relation to data sources, frequency of

[27] The most recent Implementation Status Report (ISR) dates from May 14, 2020, and can be accessed here.

data collection, and responsibility for data collection. The Program Document includes a detailed Monitoring and Evaluation plan that includes this information.

Implementation Arrangements and Readiness, and Risk Identification and Mitigation Measures

The AF expands previous activities and proposes new ones aligned with EQRA. The AF will leverage the existing implementation arrangements of EQRA as they were defined in 2018. Initial problems with hiring the third-party verification agency to confirm the achievement of program PBCs delayed disbursements. However, this issue has already been addressed, and no additional implementation challenges are expected. The AF program document references the potential impact of the COVID-19 pandemic on EQRA, as it has the potential to affect virtually all elements of the program. It will be appropriate to continue a more detailed analysis with regular updating. Finally, the GA supervision allocation approved under EQRA (US$ 2 million) will also be used to support the implementation of the AF program and no additional contribution from GPE to the supervision costs has been requested.

Sustainability

Given that Afghanistan continues to be highly dependent on external aid, the sustainability of the program is still a concern. The program creates local capacity through the use of national systems to the extent possible. Additionally, TA will aim at building the capacity of the MoE and MRRD to continue with the implementation of the program's activities after funding expires.

Aid Effectiveness

The Secretariat's assessment has found that the program continues to be aligned with the main criteria of aid effectiveness. Almost all activities, but the GBV policy are strongly aligned with NESP III, and implementation will continue to be carried out by the government using country budget processes. The GBV strategy is based on the Inter Agency Working Group on Gender Based Violence and builds on both supply and demand side strategies for improved access and retention of girls in schools, as reflected in NESP III.

4. VARIABLE PART

This section will first describe the Variable Part arrangements of both the parent program and the Additional Financing program, and then present the Secretariat's assessment. The AF presents three new VP strategies.

General

The parent program is innovative given its use of a results-based financing approach for two of its four components, marking the first time Afghanistan is implementing this type of

financing arrangement. Three strategies under the RBF portion were highlighted to address the efficiency, equity and learning requirements in the application. These strategies included 8 Performance Based Conditions (PBCs)[28]. Four of those were expected to be achieved between 2018 and 2019. Of those four, one has been achieved and verified, one has been achieved pending verification, one has been partially achieved pending verification, and one is delayed, though it is on track to be achieved before the end of 2020. Even though the different PBCs are expected to be met, further delays could affect the achievement of the PDOs of the program.

TABLE D – VARIABLE PART CURRENT ESPIG (HIGHLIGHTED STRATEGIES)

		By 2018	By 2019	By 2020	By 2021	By 2022
Learning outcomes						
Existing textbooks distributed and teaching and learning materials for the new curriculum developed for all grades	**Target**		45 million textbooks from the existing curriculum for core subjects of mathematics, science, and language distributed to public schools covering at least 90 percent of districts.	New textbooks and teacher guides developed in core subjects of mathematics, science, and language for Grades 1, 4, 7, and 10.	New textbooks and teacher guides developed in core subjects of mathematics, science, and language for Grades 2, 5, 8, and 11.	New textbooks and teacher guides developed in core subjects of mathematics, science, and language for Grades 3, 6, 9, and 12.
	Amount		US$ 10 million	US$ 4 million	US$ 3 million	US$ 3 million
	Status		11.25 million textbooks distributed. Partially achieved/Not verified	To be revised. Proposed PBC will focus on primary education.		
Efficiency						
Improved EMIS data collection and quality assurance procedures implemented	**Target**	A call center established within MoE and operational protocols for managing monthly phone surveys to schools for EMIS data collection established in consultation with local stakeholders.	Online tool developed for school-level data entry into EMIS; training of trainers for data collection and entry into EMIS completed; and outreach and capacity building of principals and schools shuras to prepare for monthly data collection completed.	All 2019 and 2020 CBE information reported to the MoE and entered in EMIS, in accordance with the policy guidelines; and monthly phone survey data collection conducted by a random sample of schools in selected provinces.	EMIS data verified with monthly survey data and a random sample of 5% of schools physically verified with 3.5% margin of error.	All 2021 and 2022 CBE information reported to MoE and entered into EMIS in accordance with policy guidelines.
	Amount	US$ 3 million	US$ 3 million	US$ 4 million	US$ 2 million	US$ 2 million
	Status	Achieved/Verified	Achieved/Not verified.	To be revised. New PBC will reflect a Presidential Decree that incorporates the National Statistics Information Authority in EMIS.		

[28] Formerly known as Disbursement Link Indicators (DLIs)

Equity						
Development and implementation of a teacher policy for prioritization in the hiring and allocation of teachers based on need	**Target**	Teacher policy comprising step-by-step procedures for prioritization, needs-based allocation, and criteria for redeployment of teachers developed.			At least ninety (90) percent of newly hired permanent teachers and at least seventy-five (75) percent of newly hired temporary teachers hired based on the methods and criteria identified in the teacher policy.	
	Amount	US$ 5 million			US$ 5 million	
	Status	Delayed. Expected by end of 2020. Policy developed in consultation with the Ministry of Finance, Civil Services commission and Kankor Authority requiring major coordination. Document ready waiting for endorsement.				

Description of the variable part

The variable part of the AF is aligned with GPE's priorities on learning outcomes, equity and efficiency. It proposes three new additional strategies for the Variable Part, that are consistent with EQRA and NESP III. Table D presents the new strategies and PBCs. It is worth noting that per GPE policy, PBCs with a delay longer than one year should obtain no-objection from GPC.

TABLE E – VARIABLE PART ADDITIONAL FINANCING

		By 2021 (1)	By 2022 (1)	By 2023 (1)
Learning outcomes				
Number of grades 1-3 teacher and school principals trained in Early Grade Reading	**Target 1/**	6000 teachers	13,000 teachers (cumulative)	20,000 teachers (cumulative)
	Amount	US$ 2 million	US$ 1.75 million	US$ 1.85 million
Efficiency				
Evaluation of subject teacher training	**Target**	Completion of baseline data collection	Completion of end line data collection	
	Amount	US$ 0.5 million	US$ 0.5 million	

Equity				
Implementation of GBV action plan	**Target**	Protocols and systems to report and respond to GBV and SEAH established	100% of the relevant MOE staff, teachers, principals and students and school management Shuras trained and GBV protocols and reporting system	
	Amount	US$ 0.5 million	US$ 0.5 million	

(1) Years are referential.

Learning Outcomes

The AF includes an additional VP strategy to support improvements in learning outcomes, which will support the continuous development of teachers and complement the previous learning strategy focused on learning materials. Low levels of learning in Afghanistan are linked to the poor quality of instruction, which in turn is impacted by the poor quality of pre- and in-service teacher training, teachers' low levels of subject knowledge, weak pedagogical skills, as well as insufficient support to teachers. For this reason, the MoE has identified teacher training on Early Grade Reading (EGR) as a priority for the government to achieve the NESP III objective of improving learning outcomes. The strategy will therefore include standardization of approaches to teacher training, thereby eliminating the use of various methods in efforts to better support teachers and students and ensure the consistency and the quality of the approach delivered.

The VP indicator linked to the new strategy is the number of Grade 1-3 teachers and school principals trained in Early Grade Reading, with aims to reach a cumulative target of 20,000 teacher and school principals trained by 2023.

Equity

The AF includes an additional strategy to support improvements in equity: "Implementation of [the] GBV action plan". In the parent program, the VP strategy focuses on equity in the delivery of education resources, seeking an equitable supply of education services. The strategy in this AF emphasizes gender equity. There is an increase in the number of gender violence incidents, limiting their demand for education. Although international/local NGOs provide support to victims and survivors of GBV/SEAH in Afghanistan, no public system exists to properly document and address these cases in the education sector. This GBV strategy will not only

aim at enhancing equity in education, but also at contributing to the system's efficiency, particularly for improving the responsiveness and transparency of the sector.

The PBCs included in this strategy include (i) development of Codes of Conduct and establishment of a reporting system for GBV cases, and (ii) development of protocols on how to respond to GBV cases once reported, in line with the GBV Action Plan. The reporting system would be established through consultations with students, teachers, and parents in schools to identify preference for safe, and child-friendly uptake channels. In addition, the MoE team will develop Codes of Conduct (CoC) for teachers and schools that will encompass the entire ecosystem at the school level such as students, teachers, school principals, local communities and government officials.

Efficiency

The AF includes an additional VP strategy to support improvements in efficiency: "Evaluation of subject teacher training". The parent program supports efficiency gains through improvements in the data system and its use. The AF's proposed strategy supports further improvements in efficiency by promoting evidence-based decision-making. Particularly, the indicator incentivizes the first rigorous Impact Evaluation on teacher training activities in the country. In the past, the country has invested more than US$ 100 million in teacher training, though there is no assessment of the impact of those trainings on actual teaching practices and on student learning. DPs have expressed their reluctance to finance additional training activities, without evidence on the impact of those trainings. The purpose of this strategy is to build evidence on the impact of teacher training. Therefore, this strategy's PBCs include the collection of baseline and end line data for undertaking the impact evaluation, which constitutes an important step towards supporting the establishment of a culture of evidence-based policymaking.

4.1. Assessment of the variable part

Sector Alignment

The three VP strategies in the program are broadly aligned and consistent with the strategies within the NESP III, and the objectives it sets out for the sector. The three strategies and PBCs have been discussed by the DPs and the LEG in the context of the design and implementation of EQRA and the proposed AF[29]. The VP Learning strategy (PBC 8) reflects the learning outcomes strategy grounded in the ESP, that aims to address the lack of qualified teachers in the country. Although the equity and efficiency strategies and targets are not explicitly noted in NESP III, they

[29] Additional Financing Program Document, page 18.

are aligned with its goals. The VP's equity strategy (PBC 10) is based on the GBV action plan from the Inter Agency Working Group and builds on both supply and demand side strategies for improved access and retention of girls in schools as reflected in both the NESP III and under EQRA. The VP's efficiency strategy (PBC 9), focusing on an impact evaluation of the teacher subject-knowledge training to assess its effectiveness and inform a potential scale-up, is also aligned with NESP III. In particular, it is aligned with NESP's Component 3 on Efficient and Transparent Management, whose overall objective is "Transparent, cost-effective and efficient delivery of equitable quality education services at national and Sub-national levels."

Relevance of selected strategies on equity, efficiency and learning

The three strategies meet this standard. The VP equity strategy (PBC 10), focused on the implementation of the GBV action plan, seeks to both reduce gender-based violence and Sexual Exploitation Abuse and Harassment (SEAH) as well as to promote gender equity and girls' access to education by incentivizing the development of systems to report and respond to GBV and SEAH incidents at schools. The strategy is highly relevant given that GBV and SEAH are widespread in Afghanistan which "discourages school attendance and results in negative impacts for gender equality and human capital development."[30] The proposed VP efficiency strategy (PBC 9) focuses on evaluating subject-specific teacher training to assess its effectiveness on improving instruction. The strategy is relevant given that NESP III recognizes Afghanistan's varied data, efficiency and transparency challenges. The VP strategy supports the focus of NESP III on strengthened efficiency and transparency of the sector as a whole and its efforts to improve sector monitoring. The proposed VP learning strategy (PBC 8) responds to the need for improved learning outcomes in literacy in the early grades, which is attributed in part to "low quality pre-and in-service teacher professional development and insufficient support to teachers with low levels of content and pedagogical skills.".

Transformative effect

All strategies meet this standard. The proposed VP's strategy on equity (PBC 10) addresses GBV and SEAH in Afghanistan and its impact, particularly on school attendance of girls. The strategy has the potential to be transformative given the lack of awareness of families, communities and children of the impact GBV and SEAH has on school attendance and further human capital development in Afghanistan.

The proposed VP strategy on learning outcomes (PBC 8) addresses the poor quality of teaching through teacher training. The VP strategy focuses on expanding/scaling up EQRA's teacher training interventions and providing in-service teacher training for an additional 16,000

[30] Additional Financing Program Document, page 68.

teachers for Grades 1 – 3 as well as 4,000 principals. EQRA itself is targeting 50,000 teachers (Component 2.1) to improve their subject knowledge[31]. The strategy has the potential to be transformational given that teacher effectiveness is at the heart of improved student learning outcomes and the strategy's focus on improvements in Grade 1 – 3 are critical to improving early learning outcomes, as well as reducing repetition and increasing retention. In addition, the strategy will prioritize female teachers' participation in teacher training, which should further contribute to improving girls' enrollment, retention, and learning outcomes in particular. Simultaneously this strategy will also implement the Ministry's pedagogical reform, focused on the use of a single standardized approach to teaching literacy.

The VP's proposed efficiency (PBC 9) strategy supports the use of evidence to assess investments in teacher effectiveness, as it incentivizes undertaking the country's first rigorous impact evaluation on teacher training. This represents a shift from an ongoing practice in Afghanistan of not basing decisions on evidence. This impact evaluation was requested by members of the LEG and, by supporting it, the Government signals a stronger commitment towards the use of evidence to inform decision-making. The impact evaluation will evaluate the effectiveness of the training conducted under the EQRA program and will contribute to a nascent culture of evidence-based decision making, and of transparency around resource allocation. In addition, both the Government and partners have emphasized capacity-building as a key part of the theory of change. To this end, data collection and analysis of results will be conducted by a team including staff from the World Bank, the Paris School of Economics and the Teacher Education and Planning Departments of the MoE. It is expected that the results of the impact evaluation will be used by the Government and partners to assess whether the teacher training program should be expanded and to inform decisions around teacher policies and enhancing teacher capacity.

Adequacy of indicators and targets

The country responded to the QAR II comments and provided revisions which improved the "adequacy" of the proposed new PBCs. The standard is met for learning and partially met for efficiency and equity, with the suggestion to resolve any gaps through report-backs given the short time remaining of EQRA which may limit the ability to include PBCs that measure the impact of the different strategies; and also considering that these new PBCs are additional to the existing VP under EQRA.

The proposed VP learning strategy (PBC 8) meets the standard. The indicators and targets are ambitious given they aim to incentivize a system-wide pedagogical reform for the early

[31] Additional Financing Program Document, page 69.

grades. The indicator sets a target on the number of teachers trained in Early Grade Reading (EGR). The target is ambitious in the number of teachers but fails to address how the intervention is improving the teacher practice in the classroom. Currently, the AF proposal requires a post-test that trained teachers need to approve in order to be considered "trained". That test will only provide partial evidence of the potential impact of the training in the classroom. To get a better assessment of the impact of the program in the classroom and propose adjustments, if needed, it is recommended to link with the different evaluation efforts already included under EQRA, including classroom observations. Lastly, it will also be useful to have further information regarding the criteria for the geographical targeting of the trainings.

The proposed VP equity strategy (PBC 10) partially meets the standard. Indicators focus on incentivizing the implementation of the GBV action plan. It is recognized that the establishment and implementation of a GBV action plan in the context of Afghanistan is already an ambitious and challenging step, although the strategy could have demonstrated further follow up/stretch by including an indicator or a discussion of how monitoring of the implementation and use of the system after the Year 4 target will take place. However, the short time span for the implementation of this strategy (PBCs only span 2 years) may limit the ability to assess the impact of the strategy. Nonetheless, the assessment of the impact of the actual capacity of the newly implemented mechanism to respond to GBV and SEAH incidents will require monitoring of its implementation, especially at early stages. In addition, currently the indicator related to training on GBV focuses on **"relevant"** staff. Further information is needed on the targeting of the training and how "relevant" staff is defined.

The proposed VP efficiency strategy (PBC 9) partially meets the standard. Targets and indicators focus on incentivizing the collection of baseline and end line data for the teacher training impact evaluation. Although disbursement rules and verification methods are clear, the potential impact of the efficiency strategy is limited given that the PBC focuses only on data collection but does not emphasize the use of the results of the impact evaluation to improve future teacher trainings. The assessment of the impact of the proposed strategy will depend on the use of the impact evaluation results in high-level policy dialogue and future decision making.

Reliability of means of verification

The equity, learning and efficiency strategies meet this standard. As in the case of the Parent Program, the Third-Party Verification Agency (TPVA) will be in charge of verification of the achievement of the PBCs. The Parent Program has been affected by delays in the recruitment of the TPVA for its PBCs. However, the TPVA has now been recruited. The TPVA will now be responsible for verifying progress on PBCs 8 and 9, while a report by the MoE will serve as the

data source for PBC 10 on GBV. The LEG is regularly informed of the progress on the achievement of the PBCs under the parent program. It is expected that LEG involvement will continue.

Clarity and adequacy of disbursement mechanism

The VP strategies meet this standard. Disbursement mechanisms are clearly described within the document.

5. RECOMMENDATIONS

The Secretariat recommends the Grants and Performance Committee to consider the approval of this Additional Financing application.

Afghanistan fulfilled its 2017 commitment to increase domestic financing for education in 2018 and 2019, but progress was interrupted in 2020. The commitment has now been renewed for another three years; and Afghanistan continues to allocate at least 45 percent of the recurrent education budget to primary education. The Secretariat recommends the GPC to request a report-back from the Government on the evolution of the education budget and its execution, as information becomes available.

With regards to the VP, the Secretariat recommends GPC to recognize the ambitiousness and potential transformational effect of the proposed new VP strategies and to consider the following:

- On the Efficiency Strategy, a report-back on the use of impact evaluation results, including presentations at policy forums and publications after the evaluation has been completed.
- On the Equity Strategy, a report-back on the use and implementation of the GBV action plan after training has been completed.
- On Learning, a report-back on the possibility of linking teacher training to the different evaluation efforts performed under EQRA, including classroom observations, so that the effectiveness of the training can be assessed and its high quality guaranteed.
- A report-back to provide information on the targeting for the learning and equity strategies, including clarification of the term “relevant” under the equity strategy.
- An observation to remind the GA that the indicators of the VP are expected to be timebound and that while the Secretariat allows a delay of up to 12 months for achieving the VP results, these delays have to be communicated to the Secretariat in advance, as retroactive restructuring of the VP is not possible. In addition, any delays of more than 12 months would require a restructuring.