APRIL 13, 2021

SECRETARIAT CHIEF EXECUTIVE OFFICER

ALLOCATION FOR AN EDUCATION SECTOR PROGRAM IMPLEMENTATION GRANT TO LESOTHO

Reference	Decision
CEO/2021/04-01	**Allocation for an Education Sector Program Implementation Grant to Lesotho** The CEO, in her delegated authority from the Board of Directors: 1. Notes that the ESPIG request has been assessed based on the relevant QAR processes for funding model requirements and program standards. The request is in compliance with the requirements and standards for accessing the maximum country allocation for an ESPIG, as described in the application and assessed in the Secretariat quality assurance review phase III report. 2. Approves an allocation from GPE trust funds for an ESPIG, as described in the application submitted and summarized in Table 1, subject to: a. Availability of funds. b. Board decision BOD/2012/11-04 on commitment of trust funds for ESPIGs in annual installments.

	c. Review Meeting's recommendation for funding set out in Table 2. 3. Requests the Secretariat to: a. Include in its notification of grant approval to Lesotho the requests for observations and report-backs as recommended by the Review Meeting and set out in Table 2. b. Include an update on the issues listed as "report backs" in the Grant Status Report in accordance with the specified timeline.

Table 1: Application Summary and Allocation Recommendations (in US $):

Country: Lesotho		
a.	ESPIG Maximum Country Allocation	7,500,000
b.	Allocation Requested (100%)	7,500,000
c.	Fixed Part	7,500,000
d.	**Allocation Recommended**	**7,500,000**
e.	Grant Agent	World Bank
f.	Agency Fee % - Amount	1.75% or 131,250
g.	Grant Agent's Implementation Support Costs	400,000[1]
h.	Period	3 years 2 months
i.	Expected Start Date	July 1, 2021
j.	Funding Source	GPE Fund

Table 2 – Review Meeting Observations, Report-Backs, And Conditions

Country: Lesotho	
Observations	The government and grant agent are encouraged to closely monitor the implementation of the online teacher training sub-component given the challenges encountered with teacher training in the past. It is encouraged that the final evaluation of the project assesses whether pilot interventions in component 1.1 have led to improvements in existing CGP and OVC-B programs. If possible, monitor students benefitting from the programs including disaggregated data on beneficiaries with disabilities.
Report Back	The government and grant agent are requested to report to the Local Education Group on the new ECCD curriculum rollout and the expansion

[1] This amount is to be funded from the grant and is not in addition to the grant amount

	strategy for the ECCD sub-sector that is being developed under BESP. The plan and progress on mainstreaming the new ECCD curriculum, including developing the capacity of the ECCD department within the Ministry of Education should be discussed within the LEG and monitored through the Joint Sector Review (JSR). The GPE Secretariat expects to see documented discussion and progress in the next JSR report.
Condition	None

Annex A – Secretariat quality assurance review phase III report

QUALITY ASSURANCE REVIEW – PHASE 3 (SECRETARIAT DELEGATED AUTHORITY)

FEBRUARY, 2021

LESOTHO

EDUCATION SECTOR PROGRAM IMPLEMENTION GRANT

Proposed GPE Grant Amount: US$7.5 million
Fixed Part: US$7.5 million, of which US$0.4 million for Grant Agent's Implementation Support Costs;
Variable Part: n/a
Implementation period: 3 years 2 months
Projected implementation start date: 7/1/2021
Grant Agent: World Bank

1 BACKGROUND AND EDUCATION SECTOR OVERVIEW

1.1. COUNTRY BACKGROUND

Lesotho is a small, landlocked, lower-middle-income country surrounded by South Africa. The country's population is youthful with 76 percent of its 2.1 million people below the age of 36[1]. The Human Capital Index (HCI) for Lesotho is very low (0.37), ranking 148 out of 157 countries[2]. This means that a child will only be 37 percent as productive as a child who had access to complete education and full health.

Lesotho is a small open economy, with modest growth, limited economic diversification, and limited resilience to negative shocks. Despite per-capita income of roughly US$1,120, more than half the population lives below the poverty line. Alleviation from poverty has significantly improved for the urban populations in the past two decades but in the rural areas, it remains unchanged. There is a strong geographic pattern to poverty incidence as more than half of the population lives in remote and difficult to access mountainous areas[3]. Moreover, HIV & AIDS continues to pose a big challenge with high prevalence rates of 23.6 percent among adults aged 15-49[4].

[1] United Nations Population Division. World Population Prospects: 2019 Revision
[2] World Bank. (2020). *Concept Note Additional Financing for Lesotho Basic Education Improvement Project* (p.3).
[3] Kingdom of Lesotho. (2016). *Education Sector Plan 2016-2026* (p. 15).
[4] Kingdom of Lesotho. (2020). *Education Sector Analysis* (p. vii). ,

	Country Name
Population	2,125,268 (2019, World Bank)
Human Development Index Ranking	165 out of 189 countries (2019, UNDP)
Learning-adjusted Years of School	6.3 years[5]
GDP	US$ 2.376 billion (2019, World Bank)
GDP per capita	US$ 1118.1 (2019, World Bank)
World Bank Income Classification Level	Lower-Middle-Income Country (2020, World Bank)

1.2. EDUCATION SECTOR OVERVIEW[6]

Education in Lesotho is organized in four key stages: one to three years of Early Childhood Care and Development (ECCD) seven years of primary, three years of lower and two years of upper secondary, and tertiary education. An informal education track that offers the equivalent of a primary and secondary level of education exists to address the educational needs of youth and adults who are unable to go through the formal education system. Free primary education policy was introduced in Lesotho in 2000, which was then reinforced to Free and Compulsory Primary Education by law in 2010 for children from 6 to 12 years of age. The Ministry of Education and Training (MoET) fully supports one year of pre-primary and has full control on the reception classes attached to primary schools which cater for only five-year olds. Coverage by 5-year old reception classes is limited; most enrolled preschool-aged children are in center-based preschools for 3 to 5 year olds, formerly called ECCD Centers. These are privately developed and run by communities, NGOs, and churches and are characterized by high fees. They are only partly supported by MoET through school feeding and some short-term training of caregivers with very limited MoET supervision.

Lesotho is currently implementing its Education Sector Plan (ESP, 2016-2026), which focuses on improving poor retention rates at primary and secondary levels, low student learning outcomes/achievements, school governance and the negative impact of HIV/AIDS on the education system. With funding from GPE, a new education sector analysis (ESA) was completed in 2020. Based on the new data from the ESA, the ESP is being updated and a multi-year action plan covering 2021/22-2023/24 has been developed.

[5] World Bank. (2020). https://www.worldbank.org/en/publication/human-capital Sex disaggregation data is not available.
[6] All data presented in this section come from Lesotho's *Education Sector Analysis (2020)* unless otherwise stated.

Education and health are more closely related in Lesotho than in other countries in the region. Approximately 33 percent of the children in the country are stunted in comparison to 30 percent[7] on average for lower-middle-income countries. About one in four adults are infected with HIV/AIDS in Lesotho, making it the second most infected population in the world. This has an impact on the teaching force in Lesotho, of which almost a quarter is infected and in treatment. On top of this, the COVID-19 pandemic has forced school closures since March 2020, negatively impacting learning of all students in the country. In October 2020, only secondary schools implemented a phased reopening; however, schools were closed again in December 2020 due to increasing COVID-19 cases. GPE provided a US$3.47 million COVID-19 grant to Lesotho in June 2020 with UNICEF as the grant agent.

1.2.1. Equity

The gross enrolment rate (GER) in primary dropped 4 percentage points between 2015 and 2018 but has remained above the 100 percent mark. The net enrolment rate (NER) for primary was 91 percent in 2016[8]. Although GER in lower secondary increased by 12 percentage points in the same period to reach 72 percent, there remains a huge drop from the GER established in primary – a clear indication that considerable number of primary school completers do not make it to lower secondary. In upper secondary, the GER has remained stable through the years at 35 percent, – again, only a fraction of lower secondary education completers making it to upper secondary.

While the enrolments exhibit gender parity at ECCD and primary levels, there is remarkable disparity at the secondary level. In 2018, for every 100 boys in secondary schools there were 130 girls. This is only a slight improvement from 100 boys to 134 girls in 2015. This gender disparity against boys is may be attributed to traditional herding activities of the boys (herd boys). A similar pattern is found in participation of children with disabilities. There were more girls with special needs enrolled in secondary compared to boys at parity of 1.50 in 2018. Learners with special needs account for 5 percent and 8 percent of students in primary and secondary respectively.

Less than one third of the eligible population in Lesotho is enrolled in ECCD for ages 3 to 5 (31 percent GER, 2018). The number of ECCD facilities and enrollment have remained stagnant over the last four years, indicating the slow expansion of early childhood education in the country. The majority of ECCD facilities are in rural locations which is consistent with the distribution of population in the country. However, 67 percent of the ECCD enrolment is in urban areas[9]. This

[7] World Bank. (2019). https://data.worldbank.org/indicator/SH.STA.STNT.ZS
[8] World Bank. (2021). https://data.worldbank.org/indicator/SE.PRM.TENR?locations=LS
[9] Kingdom of Lesotho. (2018). *Multiple Indicator Cluster Survey* (p. 137).

phenomenon has been observed in countries with low uptake of ECCD where significant enrolments are normally found in the capital cities and urban locations. Similarly, for primary and secondary education, topography creates the largest discrepancies in access and completion especially in the mountainous regions.

1.2.2. Learning outcomes

The quality of learning in Lesotho is low and inconsistent with the level of resources that the country together with households invest in education. The 2018 Multiple Indicator Cluster Survey (MICS) results found that less than half (45.4 percent) of children between the ages of 7 and 14 had foundational reading skills, two in three children from the richest families compared to only 28.5 percent from the poorest households. In terms of numeracy, only 15 percent of children in the same age category had basic numeracy competencies, 22.8 percent of children from the richest families compared to 7.4 percent of children from the poorest households. In both reading and numeracy, girls outperformed boys. At the ECCD level, the 2018 MICS found that 75 percent of children aged 2 to 5 were developmentally on track but only 15 percent of the children were developmentally on track in numeracy (counting) and literacy (language development), with stark disparities across rural and urban location, access to ECCD and socioeconomic status. Student learning outcomes are also low at the secondary level, particularly in mathematics and science.

A look at teacher competencies illustrates the weakness in the quality of education in the country. Results from the 2016 Examination Council of Lesotho baseline assessment on primary school teachers showed that only 51.4 percent of teachers demonstrated the desired competencies in literacy and 31 percent demonstrated competency in numeracy. Junior secondary teachers' correct-score rates averaged 49.5 in mathematics, 41.7 in biology, 66.3 in chemistry and 52.3 in physics.

1.2.3. Efficiency:

Access to school in Lesotho is almost universal with good retention in primary for girls but not boys. Secondary education is characterized by high loss of students in both genders from the system. Poor boys from rural locations remain the most vulnerable. The intake rate in the last grade of primary shows that 90 percent of girls access Class 7 compared to 66 percent of boys, this being a proxy indicator for primary completion shows that more boys drop out of primary school compared to girls. In lower secondary, 3 in 4 girls access Form 1 compared to half of the boys and at the end of lower secondary 6 in 10 girls complete compared to 1 in 3 boys. The disparity narrows in upper secondary, where the retention rate of boys is more stable than that of girls', but this comes late in the system when significant number of students have already

been lost. While the results identify boys to be more vulnerable than girls when it comes to staying and completing school, girls are also vulnerable to dropping out of the system in higher grades. About 11 percent of girls who drop out of secondary education in Lesotho do so as a result of pregnancy.

Although available teachers are adequate to have reasonable pupil-teacher ratios (PTRs) in Lesotho, ineffective deployment has led to an uneven distribution of teachers. By taking the total number of learners/students divided by the number of teachers, the country has national PTRs of 17, 33 and 25 for ECCD, primary and secondary respectively. This means Lesotho is aligned to the global best practice in teacher supply (PTR of 1:40) which has been widely acknowledged as the right size to promote learning especially at the elementary level of education. However due to unequal teacher deployment, some schools have very high PTRs while others have extremely low PTRs. The effective PTRs[10] are 16, 63 and 79 in ECCD, primary and secondary schools respectively. In Lesotho, there is a weak correlation between the number of learners and the number of teachers deployed to their schools. The implication of this is that learners are not subjected to similar learning conditions.

Temporary teachers account for 10 percent and 15 percent of teachers in primary and secondary schools respectively, and this share has been dropping over the years. Temporary teachers are generally underqualified because they are not professionally trained to be teachers.

1.2.4. Monitoring of Sector Performance:

In Lesotho, the education sector is coordinated by the Local Education Group (LEG) consisting of ministry officials, development partners, national and international CSOs as well as teachers' organizations. The sector planning and monitoring process is generally participatory, with effective and functioning dialogue structures. Sector policy, including the current ESP were developed through wide consultations. The LEG is participatory and meets regularly. It is chaired by the government and cochaired by UNICEF. Joint Sector Reviews (JSRs) do not take place regularly in the country. The first and last one was organized in 2018 with technical support from the GPE Secretariat. In addition, there are substantial gaps on the effectiveness of the JSRs due to a lack of data available to cover and monitor the full spectrum of the education sector. In addition, the JSR would have benefited from being more participatory and concluding with actionable recommendations.

[10] Effective PTR takes into account the teachers who are in contact with learners. The ratio is taken at school level. This is aggregated at any desirable level – the result is more reflective of situation at school level.

2 ESPIG DESCRIPTION

2.1 PAST ESPIG PERFORMANCE

Lesotho became a member of GPE in 2005 and has accessed three Education Sector Program Implementation Grants (ESPIGs) totaling around US$33.5 million. The World Bank has served as the grant agent for all these grants. Lesotho has also received a US$3.5 million GPE grant for COVID-19 response activities in June 2020 with UNICEF as GA.

Three ESPIGs since becoming a GPE member in 2005:

Years	Grant Amount (US$)	Grant Agent	Modality
2017-2021	2,300,000	World Bank	Project
2010-2015	19,593,431	World Bank	Project
2006-2010	11,671,512	World Bank	Project

Lesotho is also part of GPE's initiative on early childhood education: BELDS (Better Early Learning and Development at Scale) which provides support to integrating early childhood education systematically into the national education sector planning and policy implementation cycles as a key strategy to strengthen ECE in order to ensure children enter schools ready to learn and succeed in primary education and beyond.

The project development objective (PDO) of the US$2.3M Lesotho Basic Education Improvement Project (LBEIP) is to improve basic education service delivery and student retention in targeted schools through:

(i) improving the teaching and learning environment in targeted primary schools and associated preprimary and junior secondary schools
(ii) strengthening school accountability for student learning and retention in targeted schools via provision of school grants for school improvement plans and training of head teachers
(iii) strengthening institutional capacity and commissioning a review of the ECCD curriculum, a review of the curriculum and assessment policy for primary and secondary, and a survey on primary education service delivery.

LBEIP became effective on July 20, 2017 and experienced major delays in implementation due to weak procurement capacity at the ministry, prolonged teacher strikes in the country in 2018 and 2019, and more recently COVID-19 related implementation delays. Overall, the project suffered from weak project management, poor accountability for achieving results, and communication challenges among the various departments of the MoET. Since the launch of

the LBEIP, there have been six Ministers in the MoET, which may have affected continuity in the management and oversight of the project and weakened the accountability process. By June 2020, only 27 percent of the total grant was disbursed, and the project was due to close on August 31, 2020. The project was restructured on August 27, 2020 to accommodate the following changes: (i) focus on interventions that are directly delivered at school level and can reach students, (ii) reallocate finances to the COVID-19 pandemic response in schools, (iii) extend the closing date by 12 months to August 31, 2021, and (iv) amend the results framework. Since the restructuring of the project, one virtual mission took place from September 28 to October 7, 2020 and rated the overall implementation progress as Moderately Satisfactory. Utilization as of February 2021 was at 61 percent. The utilization is expected to reach 90 percent by the end of March 2021, once the procurement of the protection kits for schools is complete. The World Bank continues to hold regular meetings chaired by the Principal Secretary for Basic Education of the MoET to closely monitor the progress of action items from the approved work plans and Aide Memoire of the project. The grant is expected to be fully implemented by August 31, 2021.

Several lessons learned from previous ESPIGs have been incorporated into the design of BESP. First, a key lesson that has emerged from LBEIP is that interventions aimed at improving learning environments are not adequate to address the high dropout rate at the secondary level, as they do not address critical demand-side constraints to school attendance such as the direct and indirect cost of schooling, pregnancy among adolescent girls and a lack of interest in education. The BESP design addresses these critical constraints through financial support to students from poor households and expansion of youth clubs and life-skills related interventions. Second, building on ongoing operations including those supported by other development partners is found to be essential to build synergy and leverage existing resources. To that end, BESP will scale up successful pilots in teacher training and youth club intervention from LBEIP and other projects. In addition, under LBEIP, the outdated ECCD curriculum is being revised and BESP aims to support the piloting and evaluation of the revised curriculum. Third, BESP considers lessons learned from capacity gaps and weak oversight of project activities (in part due to high turnover of MoET management and some staff issues within the Grant Agent). Some of the key steps identified in this regard include hiring additional personnel and consultants in key technical areas to strengthen the central team that will coordinate project implementation and holding monthly progress review meetings between grant agent and MOET headed by the Permanent Secretary. In addition, several of the activities under the proposed project will be implemented by third party service providers that will be delivering services directly to beneficiaries in schools while at the same time building the capacity of the MoET in specific technical areas. Moreover, the grant agent has reinforced its supervision capacity, resulting in a slightly higher than usual but well-justified supervision fee. Finally, all abovementioned lessons relate to the key principles that have guided the project preparation,

namely: simplicity in design, need-based targeting, building on existing initiatives, and use of alternative implementation arrangements.

2.2 ESPIG DESCRIPTION

The development objective of the Basic Education Strengthening Project (BESP) is to improve student retention and teaching quality in junior secondary schools in targeted regions of Lesotho and support the roll out of a new curriculum to strengthen ECCD service delivery. The proposed indicators to measure progress are:

(i) Reduction in dropout rate in junior secondary level (Grade 8–Grade 9) in targeted regions (disaggregated by gender)

(ii) Increased competencies level of math and science teachers who completed the online training

(iii) Improvement in a child's readiness to start primary education for children attending ECCD centers and reception classes selected for roll-out support under the project.

Component 1 (US$5 million) will focus on improving the transition to, and retention of, students in junior secondary education in targeted regions in Lesotho where poverty rates are high and student retention is low, as well as support improvements in mathematics and science instruction in schools located in these regions. There are three sub-components for this component:

1.1 Improving the efficiency of cash transfer schemes for students from poor households (US$2.5 million) with 3700 students (50 percent girls) benefiting from bonus payment

1.2 Scaling up implementation of youth clubs for girls and boys (US$0.5 million) with 2000 students (50 percent girls) joining support groups

1.3 Strengthening online training models in Mathematics and Science for junior secondary school teachers (US$2.0 million) with 500 teachers trained and 8000 students (58 percent girls) benefiting from improved teacher competency

Component 2 (US$1.4 million) provides system strengthening support to the ECCD sub-sector in key areas that are critical to improving children's access to quality of early childhood education. There are two sub-components for this component:

2.1 Structured support to roll out the new curriculum in 300 reception classes and ECCD centers (US$1.1 million)

2.2 Mapping of 3000 ECCD service providers and developing a comprehensive, costed expansion strategy for the ECCD sector (US$0.3 million)

Component 3 (US$0.7 million) provides project management, capacity building and technical assistance support to enhance the MoET's capacity to implement the project.

The proposed grant financing modality is the same as the previously financed project, though reinforced based on the lessons learned during the previous program as indicated in section 2.1. Namely, additional personnel and consultants in key technical areas will be hired to strengthen the central team, frequent implementation meetings will be held by the Permanent Secretary, and third party service providers will be contracted to deliver services directly to beneficiaries in schools while at the same time build the capacity of the MoET.

Stand alone project is deemed the most appropriate modality through consultations with the MoET and the Local Education Group. BESP utilizes a Project Facilitation Unit (PFU) which has been in place for existing projects (LBEIP and World Bank supported LEQEP for the MoET and Social Assistance Project for the MoSD). Project finances will be reflected in the national budget once it is approved by the Public Sector Investment Committee (PSIC) and will be channeled from the World Bank account to a project account at the Central Bank of Lesotho. Financial accounting is not directly on the government's accounting systems used for the national budget. However, program finances will be included in the government's Annual Financial Statement. All procurement under the project will be conducted according to the World Bank's procurement directives. Auditing will be conducted by the Office of the Auditor General of Lesotho.

2.3 VARIABLE PART DESCRIPTION

This ESPIG is exempt from requiring a Variable Part.

Table A: ESPIG Components and Costs

	GPE Financing US$	% of total
Total MCA	7,500,000	
A Component 1	**5,000,000**	**66.7**
Sub-Component 1.1	2,500,000	33.3
Sub-Component 1.2	500,000	6.7
Sub-Component 1.3	2,000,000	26.7
B Component 2	**1,400,000**	**18.7**
Sub-Component 2.1	1,100,000	14.7
Sub-Component 2.2	300,000	4.0
C Component 3	**700,000**	**9.3**

Grant Agent's Implementation Support Costs*	***400,000***	**5.3**
GRAND TOTAL (with Grant Agent's Implementation Support Costs)	***7,500,000***	**100**
Agency Fees (1.75%) **	131,250	1.75

* Include Grant Agent's direct costs, such as Program Management, Administrative and other direct implementation costs.

** Agency Fee is not included in the MCA and is calculated as percentage rate (agreed with each GA) from the Total Fixed Part and Total Variable Part.

3 RECOMMENDED DECISION

The Secretariat considers that Lesotho meets the three GPE funding model requirements. The proposed program is found to be relevant in the country context and well aligned to the country's sector plan. It responds to key challenges identified in the ESA and ESP including, low student transition to / retention in lower secondary school, poor learning outcomes, and limited access to and low quality of pre-primary education.