27 MAI 2021

DIRECTRICE GÉNÉRALE DU SECRÉTARIAT

ALLOCATION D'UN ESPIG ET D'UN FINANCEMENT À EFFET MULTIPLICATEUR DE LA PART VARIABLE, ALLOCATION D'UNE AMP SUPPLÉMENTAIRE ET PROROGATION DE 12 MOIS DE L'ESPIG EN FAVEUR DE LA PAPOUASIE-NOUVELLE-GUINÉE

Référence	Décision
CEO/2021/05-03	**Allocation d'un ESPIG et d'un financement à effet multiplicateur de la Part variable, allocation d'une AMP supplémentaire, et prorogation de 12 mois de l'ESPIG en faveur de la Papouasie-Nouvelle-Guinée** En vertu des pouvoirs qui lui sont délégués par le Conseil d'administration, la Directrice générale : 1. note que la requête de la Papouasie-Nouvelle-Guinée portant sur une allocation maximale par pays supplémentaire, sur la Part variable (soumise une seconde fois) et sur une prorogation du financement pour la mise en œuvre du programme sectoriel de l'éducation a été évaluée sur la base des processus d'examen de la qualité applicables aux prérequis du modèle de financement et aux normes régissant le programme et la Part variable. La requête satisfait à ces prérequis et aux normes d'accès à l'allocation maximale par pays au titre d'un ESPIG, du Fonds à effet multiplicateur et d'une AMP supplémentaire, comme indiqué dans la requête et dans l'évaluation présentée par le Secrétariat dans le rapport sur l'étape III du processus d'examen de la qualité ;

	2. note que les conditions de cofinancement, de complémentarité et de viabilité de la dette pour accéder à l'allocation maximale par pays supplémentaire ont été dûment évaluées dans le rapport sur l'étape III du processus d'examen de la qualité de la requête approuvée en 2019, que ces conditions sont satisfaites, et qu'il n'y a donc pas lieu qu'elles fassent l'objet d'une nouvelle évaluation ; 3. approuve l'allocation d'une AMP supplémentaire et d'un financement au titre de la Part variable, à prélever sur les fonds fiduciaires du GPE, comme indiqué dans la requête et résumé dans le Tableau 1, sous réserve : a. de la disponibilité des fonds ; b. de la décision du Conseil énoncée dans le document BOD/2012/11-04 sur l'engagement des fonds fiduciaires au titre des ESPIG par tranches annuelles ; c. des recommandations de financement issues de la Réunion d'examen énoncées dans le Tableau 1 ; 4. demande à l'Administrateur fiduciaire de bloquer le transfert du montant de 3 171 000 dollars au titre de la Part variable jusqu'à ce que la condition stipulée dans le Tableau 2 (ci-dessous) ait été remplie ; 5. approuve la prorogation de 12 mois de la date de clôture de l'ESPIG ; 6. prie le Secrétariat : a. de mentionner dans la notification de l'approbation du financement adressée à la Papouasie-Nouvelle-Guinée les observations, les demandes de comptes rendus et les conditions, comme recommandé par la Réunion d'examen et indiqué dans le Tableau 2 ; b. d'indiquer l'état d'avancement des points soulevés aux rubriques « comptes rendus » et « conditions » dans le rapport annuel sur la performance des financements, conformément à l'échéancier spécifié.

Tableau 1 : Résumé de la requête et allocations recommandées (en USD) :

Pays : Papouasie-Nouvelle-Guinée			
Type de financement		**Montant**	**Notes (taux de décaissement, modalité de décaissement, flux de trésorerie etc.)**
Rappel des faits (sur la base des financements approuvés antérieurement)			
a.	Allocation maximale par pays au titre de l'ESPIG	7 050 000	
b.	Allocation maximale par pays au titre du Fonds à effet multiplicateur	4 300 000	
c.	Allocation maximale par pays totale (a+b)	11 350 000	
d.	Allocation demandée (93 %)	10 570 000	La Papouasie-Nouvelle-Guinée n'a sollicité que USD 3 520 000 sur l'enveloppe de USD 4 300 000 de l'AMP au titre du Fonds à effet multiplicateur.
e.	*Part fixe*	*7 399 000*	
f.	*Part variable*	*3 171 000*	
g	**Allocation recommandée par le GPC en 2019**	**7 399 000**	**Part fixe uniquement**
Requête présentée pour approbation			
h.	Part variable	3 171 000	Requête soumise une seconde fois. Modalité de décaissement ex post.
i.	Allocation maximale par pays supplémentaire au titre de l'ESPIG	450 000	BOD/2019/12 DOC 06 (l'AMP est intégralement affectée à la Part fixe).
j.	Allocation demandée (h+i)	3 621 000	
k.	**Allocation recommandée (h+i)**	**3 621 000**	
l.	Agent partenaire	Save the Children Royaume-Uni	
m.	Commission de l'Agent partenaire % — Montant	7 % ou 253 470	

n.	Coûts encourus par l'Agent partenaire au titre du soutien à la mise en œuvre	s.o.	
o.	Période (AMP supplémentaire et Part variable)	Deux ans et un mois	
p.	Date de démarrage prévue (AMP supplémentaire et Part variable)	1er juillet 2021	
q.	Source de financement	Fonds du GPE	
r.	Institution(s) de cofinancement - Montant	10 560 000 (Gouvernement japonais)	Uniquement pour le Fonds à effet multiplicateur au titre de l'ESPIG.

Tableau 2 – Observations de la réunion d'examen, comptes rendus demandés et conditions

Pays : Papouasie-Nouvelle-Guinée	
Observations	Le Secrétariat se félicite que la Papouasie-Nouvelle-Guinée ait modifié sa requête de financement supplémentaire et soumette une seconde fois sa requête de financement de la Part variable. Il se réjouit du rôle moteur joué par le gouvernement de la Papouasie-Nouvelle-Guinée et de sa collaboration étroite avec les partenaires d'éducation pour préparer la requête de financement supplémentaire et au titre de la Part variable. Le Secrétariat note les efforts déployés par les autorités de Papouasie-Nouvelle-Guinée pour renforcer le dialogue national sur le secteur de l'éducation par l'entremise du Comité ESIP, qui assure la fonction du GLPE dans le pays en regroupant des représentants de l'ensemble des principaux acteurs, notamment de l'association des enseignants et des organisations de la société civile. Le Secrétariat encourage le gouvernement et ses partenaires à continuer de renforcer le dialogue sectoriel comme indiqué dans l'autoévaluation du GLPE. S'agissant du programme, le cadre de résultats désagrège les cibles par sexe, s'il y a lieu, sauf pour les 1 000 enseignants en alphabétisation formés dans le cadre de la Composante 4.3. Compte tenu de l'importance attachée à la promotion de l'équité dans l'enseignement, comme énoncé dans l'avant-projet du NEP, le Secrétariat recommande que le cadre de résultats soit modifié en conséquence, de sorte que toutes les cibles concernées soient désagrégées par sexe. Le Secrétariat recommande en outre que le GLPE envisage de conduire une évaluation de l'efficacité de la formation des chefs d'établissement à l'appui de la dimension de l'équité, afin de déterminer si la formation produit les résultats escomptés et de collecter de précieuses données d'expérience. Le Secrétariat prend note de l'impact de la pandémie de COVID-19 sur les systèmes éducatifs. Il invite le gouvernement et l'Agent partenaire à réfléchir, en concertation avec le Groupe local des partenaires de l'éducation, aux adaptations à apporter au besoin à l'ESPIG compte tenu des difficultés nouvelles, notamment de l'impact de la fermeture des écoles sur l'apprentissage des enfants. Les autres adaptations à envisager pourraient comprendre des mesures visant à atténuer les éventuels retards ou autres difficultés de mise en œuvre du programme liés à la pandémie, y compris, le cas échéant, une modification des cibles définies pour les indicateurs.

Comptes rendus	Le Secrétariat demande que l'Agent partenaire continue de fournir les rapports d'avancement demandés lors de l'approbation de l'ESPIG en avril 2019. Le Secrétariat prend note des efforts déployés par les autorités de Papouasie-Nouvelle-Guinée pour élaborer le prochain Plan national d'éducation (NEP), et il encourage le gouvernement et les partenaires de développement à poursuivre dans cette voie aux fins de finaliser le plan, comme indiqué dans les lettres du NDoE en date du 28 janvier 2021 et du 5 février 2021. Il importera en outre de veiller à ce que les stratégies de la Part variable présentées dans le cadre de la requête soumise pour la seconde fois soient bien prises en compte dans le nouveau NEP 2020–2029. L'Agence de coordination, agissant pour le compte du gouvernement, est priée de bien vouloir confirmer d'ici le 31 octobre 20121 si le nouveau NEP a été achevé et approuvé par le gouvernement et s'il a été endossé par les partenaires de développement, comme stipulé dans les lettres du NDoE en date du 28 janvier 2021 et du 5 février 2021.
Conditions	Le Secrétariat demande que l'Agent partenaire fournisse davantage de précisions sur les flux de financement et l'emploi qui sera fait des fonds de la Part variable, et qu'il indique en particulier si les paiements au titre de la Part variable serviront à financer des activités de projet (et, le cas échéant, lesquelles) ou s'ils serviront à abonder une ligne du budget de l'État, et auquel cas dans quelles circonstances. Ces informations devront être communiquées au Secrétariat avant que la Part variable puisse être décaissée.

Annexe A – Rapport de l'étape III du processus d'examen de la qualité par le Secrétariat (uniquement disponible en anglais)

Quality Assurance Review – Phase 3 (SECRETARIAT DELEGATED AUTHORITY)

March 15, 2021

PAPUA NEW GUINEA

Additional Maximum Country Allocation (MCA) and Resubmission of the Variable Part

Program name: Boosting Education Standards Together in PNG (BEST PNG)
Proposed GPE Grant Amount:
Additional MCA: US$450,000
Variable Part (resubmission): US$3,171,000
Implementation period: Two years and one month
Projected Effectiveness Date: July 1, 2021
Grant Agent: Save the Children, UK

1 INTRODUCTION

Papua New Guinea (PNG) has submitted a request for: 1) an application for the Additional MCA of US$ 450,000 to be added to the BEST PNG program funded by PNG's ESPIG and Multiplier ESPIG; 2) a resubmission of the program's Variable Part (US$3.17 million); and 3) a 12-month extension of the program implementation period.

The additional MCA will be used to support the implementation of the following activities: additional financing for textbooks, additional financing for microSD cards for teachers and teacher manuals (US$350,000) and the costs of the Independent Verification Agent (IVA) for the Variable Part (US$100,000). Of these, the first two activities are already part of the program. There are no additional Grant Agent costs for program management.

In April 2019, as per GPC's recommendation, the Board approved the fixed part of PNG's ESPIG and the Multiplier ESPIG application and requested the Grant Agent and government revisit the proposal and resubmit the Variable Part (BOD/2019/01 DOC 04). The updated Variable Part was first resubmitted in July 2020. However, the Secretariat QAR III Review Meeting in August 2020 concluded that the submission did not fully meet the quality standards as it did not articulate sufficiently how the intended results would be achieved, and how the proposed activities would unblock key bottlenecks in order to achieve the proposed results. Following the Secretariat's

feedback of September 2020, the government has consulted with partners, updated the proposal accordingly and resubmitted the proposal in January 2021.

PNG's resubmission also includes a 12-month extension request that will allow for the completion of all activities under the ESPIG. Program implementation has faced significant challenges leading to approximately a 12-month delay in the initiation of program activities from the program's effectiveness in August 2019.

2 BACKGROUND AND EDUCATION SECTOR OVERVIEW

2.1. COUNTRY BACKGROUND

Papua New Guinea is a highly diverse country with significant cultural and natural resources but low levels of human development. PNG's young and fast-growing population of an estimated 8.78 million speaks more than 850 indigenous languages and is spread across some of the world's most difficult terrain. The fertility rate in PNG is 3.6[1] with approximately 35 percent of the population under the age of 14. An estimated 87 percent of the population lives in rural areas, often isolated with poor communications and rough terrain. There is a high level of poverty in PNG, with approximately 37.5 percent of PNG's population living below the international poverty line of US$1.90 per day in 2018.[2] The overall literacy rate (literate in at least one language) is 61.6 percent, and the youth literacy rate (15-24 years) is 67.9 percent.[3]

PNG has so far reported 1,670 confirmed cases of novel coronavirus (COVID-19) and 16 confirmed deaths.[4] A new surge of COVID-19 cases have been reported in PNG in March 2021. As per World Health Organization (WHO), 357 new cases have been reported during March 1-17, 2021, the highest number of cases within such a short period since the start of the pandemic. As a result of the recent surge, the government has closed schools in the country for four weeks. In March 2020, at the onset of the COVID-19 pandemic, the government of PNG declared COVID-19 as a national emergency which was followed by restriction of international and internal movement, including stopping all international and domestic flights and establishing localized curfews and early school closures. The initial emergency was extended through a National Pandemic Act 2020 focusing on containment and prevention of the spread of COVID-19 and further pandemics. By May 2020, the curfews were lifted, and some schools reopened, requiring students to wear masks. In May 2020, through GPE's ESPDG funding, the government developed

[1] World Bank. (2018). *Papua New Guinea*. Retrieved from https://data.worldbank.org/indicator/SP.DYN.TFRT.IN?locations=PGW
[2] Asian Development Bank. (n.d.). *Poverty Data: Papua New Guinea*. Retrieved from https://www.adb.org/countries/papua-new-guinea/poverty#accordion-0-0
[3] UNESCO. (2018). *Papua New Guinea*. Retrieved from Sustainable Development Goals: http://uis.unesco.org/country/PG
[4] World Health Organization (WHO). (2021, March 7). *COVID-19 in Papua New Guinea Situation Report 63*. Retrieved from https://www.who.int/papuanewguinea/internal-publications-detail/covid-19-in-papua-new-guinea-situation-report-63

and adopted the "Papua New Guinea COVID-19 Education Emergency Response and Recovery Plan."[5] Overall, the government has been in the process of slowly easing restrictions, however, the recent surge in cases has led to closure of businesses and decline in economic activity.

Papua New Guinea	
Population	8,776,109 (2019, World Bank)[6]
Human Development Index Ranking	155 out of 189 countries (2019, UNDP)[7]
Learning-adjusted Years of School	Boys: 6.2, Girls: 5.8[8]
GDP	US$24.8 billion (2019, World Bank)
GDP per capita	US$2,829.2 (2019, World Bank)
World Bank Income Classification Level	Lower Middle Income (2019, World Bank)

2.2. EDUCATION SECTOR OVERVIEW

PNG has been a member of the Global Partnership for Education (GPE) since 2010 and has so far received US$36.6 million (including the current ESPIG and COVID-19 Accelerated Funding) to support the implementation of its education plans.

Over the last decade, PNG has made significant progress in improving enrollment in primary grades. However, despite efforts, learning achievements remain low. The Pacific Islands Literacy and Numeracy (PILNA) assessment of 2018 reported that in Grade 5, just 51.8 percent of students met or exceeded the expected proficiency levels in literacy. The government has been making efforts to maintain higher allocations to the education sector. However, given the macro-economic challenges and COVID-19, there is a decline in education allocation. In 2018, the government introduced additional subsidies to support the Government Tuition Fee Subsidy (GTFS) previously known as the Tuition Fee Free (TFF) policy, which provides financial assistance to schools to implement school plans, and for supporting provinces and districts to upgrade school infrastructure.

[5] National Department of Education (NDoE). (2020). *Papua New Guinea: COVID-19 Education Emergency Response and Recovery Plan.* Retrieved from https://www.education.gov.pg/documents/PNG-COVID-19-Education-Response-and-Recovery-Plan-(Final-Draft-04-05-2020).pdf
[6] World Bank. (2019). *Papua New Guinea*. Retrieved from https://data.worldbank.org/indicator/SP.POP.TOTL?locations=PG
[7] UNDP. (2020). *Human Development Index Ranking*. Retrieved from Human Development Reports: http://hdr.undp.org/en/content/latest-human-development-index-ranking
[8] World Bank. (2020). *Human Capital Project*. Retrieved from The Human Capital Index 2020: https://www.worldbank.org/en/publication/human-capital#Index

PNG's education system consists of 11 years of free elementary and primary education, with a secondary school entrance examination at grade 8. There are further examinations at grades 10 and 12. The grade 10 examination is used for the promotion from lower secondary to higher secondary and the grade 12 examination is used for selection into higher education. Technical and vocational training and education (TVET) is available from grade 9 at vocational centers.

Since the launch of the TFF (now GTFS) policy in 2011, PNG has witnessed an increase in enrollment at all levels of education. As per UNESCO Institute for Statistics (UIS), the gross enrollment ratio at primary level had increased from 102 percent in 2012 (96 percent for girls and 107 percent for boys) to 109 percent in 2016 (104 percent for girls and 113 percent for boys). Similarly, the primary net enrollment rate had increased from 71 percent in 2012 to 76 percent in 2016 (73 percent for girls and 78 percent for boys). Between 2011 and 2016, the annual average increase in gross enrollment rate was 4.9 percent for elementary, 2.7 percent for primary and 3.5 percent for secondary.[9] However, the enrollment figures dropped sharply for secondary grades, where the net enrollment rate was 30 percent for girls and 36 percent for boys in 2016. Further, there remain large disparities among provinces and regions. In comparison to boys, girls are particularly disadvantaged in remote provinces of PNG and their transition rates are lower than boys. Cultural barriers, early marriages, concerns over safety of girls and gender related violence, lack of infrastructure such as gender segregated toilets, among other factors, are the root causes of persistent inequities impacting girls' access to education.

In 2015, the country operationalized a five-year National Education Plan (NEP) for Basic Education 2015-2019, which was extended until the end of 2020. Following the NEP 2015-2020, in 2020 the National Department of Education (NDoE) finalized a new NEP for 2020-2029. During the March 2020 mission to PNG, the Secretariat observed that the development of the new NEP lacks sound Education Sector Analysis (ESA), including participation of all stakeholders in the process. In July 2020, the Education Development Partners Consultative Committee (EDPaCC), representing development partners (DPs), shared concerns with the NDoE on the credibility and robustness of the new NEP. In November 2020, EDPaCC discussed ways of supporting NDoE in strengthening the new NEP to ensure that it is robust and based on evidence. In addition EDPaCC and NDoE recently agreed that development partners will allocate resources to support NDoE in revisiting and strengthening the plan. NDoE also plans to access GPE's System Capacity Grant to strengthen the NEP, especially through conducting a comprehensive sector analysis.

2.3. Monitoring of Sector Performance

In 2017, PNG revived the Education Sector Improvement Program (ESIP) Committee as the Local Education Group (LEG) in the country. The purpose of the ESIP committee is to facilitate effective and efficient education development in PNG through better information exchange and coordination between the National Department of Education (NDoE) and Development Partners (DPs) in the education sector. International and local Civil Society Organizations

[9] Program Document, p16

(CSOs), private sector and teacher representatives also participate in ESPIP meetings. In 2020, the LEG conducted a self-assessment to identify areas for further strengthening. The results of the self-assessment are being used to further strengthen coordination. PNG organizes regular Annual Reviews; however, currently only government officials participate in the review meetings. Under the approved ESPIG, NDoE plans to expand Annual Reviews to more comprehensive Joint Sector Reviews (JSR), ensuring participation of all stakeholders.

3 ESPIG DESCRIPTION

3.1 CURRENT ESPIG PERFORMANCE

In April 2019, the GPE Board approved US$7,399,000 (fixed part) of the BEST PNG project under PNG's ESPIG and Multiplier ESPIG application and requested Save the Children, UK (Grant Agent) and the government revisit and resubmit the Variable Part (BOD/2019/01 DOC 04). The Multiplier was mobilized with co-financing from JICA which is being implemented as parallel financing to BEST PNG supporting additional primary school textbooks in mathematics and science.

Save the Children UK had been selected by the NDoE as the GPE Grant Agent in consultation with development partners. The ESPIG and Multiplier grant is being managed by Save the Children Australia under a Member-to-Member Agreement between Save the Children Australia and Save the Children UK.

The Program Development Objective (PDO) of the BEST PNG project is "improved lower primary student learning outcomes in math and science in low performing provinces through strengthened pre-service and in-service teacher education, expanded access to teacher training for female teachers and improved access to textbooks."[10] The PDO directly contributes to NEP 2015-2020 outcomes. The project was initially scheduled to be effective as of July 01, 2019. However, upon the request of NDoE, the Secretariat approved an extension of the effectiveness date to August 01, 2019. There have been significant delays in starting activities, which were discussed during the Secretariat mission to PNG in March 2020 and later during the Grant Agent Portfolio Meeting in December 2020. The Grant Agent noted the progress as "Moderately Unsatisfactory" in the August 2019 to July 2020 annual report.

It is now expected that actual implementation of the first activities will take place during the first half of 2021. In addition, despite initial delays, the Grant Agent has undertaken steps, to address key areas to be strengthened (sub-recipient management, internal audit capacity) identified during the grant level assessment in 2019, mainly through the recruitment of additional personnel and improved process.

3.2 Report Backs

The following report-backs were requested upon approval of the original grant in April 2019:

[10] Program Document, p. 42

Report-back requested	GA Response
The grant will support the development and distribution of elementary (grades 1 and 2) mathematics textbooks in six provinces with the procurement and distribution of these textbooks in the remaining 16 provinces undertaken by the government. The Committee requests that the grant agent regularly monitor the distribution of textbooks in these 16 provinces and include updates in its regular annual reports.	The report-back on this point is pending as the ESPIG support for the development of elementary (grades 1 and 2) mathematics textbooks is delayed. It is anticipated that the report-back will be made in 2022.
The Committee further requests the grant agent to share an operational manual for the grant with the Secretariat within six months of grant approval.	The Grant Agent has shared the program implementation manual with the GPE Secretariat on January 31, 2021.

3.3 DESCRIPTION OF THE PROPOSED ADDITIONAL FINANCING

In consultation with ESIP members, NDoE and GA propose to utilize the additional MCA financing for several activities supported under the BEST PNG project. There were no changes to the Program Development objective, outcomes, modalities, governance or implementation arrangements. The Additional MCA funds are allocated to three existing components:

- *Primary in-service teacher training in standard-based curriculum (SBC) math and science (Component 1):* The project has proposed to allocate an additional US$37,876 to correct underbudgeted printing of teacher manuals (US$27,148 under Component 1.1.7) and microSD cards (US$10,728 under Component 1.1.8).
- *Elementary math textbooks and teacher's manuals (Component 5.2):* The project has proposed to allocate an additional US$312,124 to Component 5.2 to support the increased cost of textbooks.[11]
- *Independent Verification Agent (IVA) fee (Component 6):* The cost of the IVA of US$100,000, originally budgeted under the Variable Part, has been moved to the Fixed Part.

Unrelated to the additional MCA application, updated projections based on 2018 EMIS baseline figures have resulted in the GA updating the results framework. The changes include increases in student beneficiaries from 138,681 to 148,389 and decreases in teacher beneficiaries from 3,707 to 2,571 (also due to the more recent baseline data).

[11] The Grant Agent reported that textbook unit costs supported by JICA have also increased from US$5.16 in 2020 to US$5.69 in 2022.

Table A: ESPIG + Additional MCA

	GPE ESPIG/Multiplier Financing (Approved)		Govt of Japan parallel co-financing	GPE Additional MCA & Variable Part		Total	%
	(US$)	% of GPE		(US$)	%		
Fixed Part							
Component 1: Primary in-service teacher training in SBC maths and science	2,601,078	35%		37,876	1%	2,638,954	12%
Component 2: Primary pre-service maths and science curriculum outline updated	376,646	5%				376,646	2%
Component 3: More female maths and science teachers	645,175	9%				645,175	3%
Component 5.1: *Primary maths and science textbooks (JICA only)*			*10,560,000*			*10,560,000*	*49%*
Component 5.2: Elementary math textbooks	1,906,664	26%		312,124	9%	2,218,788	10%
Component 6: Program management & monitoring*	1,869,437	25%		100,000	1%	1,969,437	9%
Sub-total of Components	7,399,0001	100%	10,560,000	450,000	12%	18,409,000	85%
Variable Part (Component 4)							
A. Equity				1,057,000	29%	1,057,000	5%
B. Efficiency				1,057,000	29%	1,057,000	5%
C. Learning Outcomes				1,057,000	29%	1,057,000	5%
Sub-total Variable Part				3,171,000	88%	3,171,000	15%
GRAND TOTAL (with GA Implementation Support Costs)	**7,399,000**		**10,560,000**	**3,621,000**	**100%**	**21,580,000**	
Agency Fee (7%)**	**517,930**			**253,470**		**771,400**	

* 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. The Board initially approved an agency fee of US$517,930 (7 percent for the Board's approval of the fixed part only).

4 VARIABLE PART

4.1 GPC REVIEW AND DETERMINATION – JANUARY 2019

In April 2019, as per GPC's recommendation, the Board approved the fixed part of PNG's ESPIG and Multiplier ESPIG application and requested the country revisit and resubmit the Variable Part (BOD/2019/01 DOC 04). In its determination, the GPC was of the view that the Variable Part (US$3,171,000) of the proposal does not sufficiently meet the conditions for accessing the Variable Part of the allocation. The committee made the following comments and requests to the Variable Part proposal:

1. Include in the terms of reference for the independent verification agent verification of the provision to schools of supplies and grants under the Tuition Fee Free Policy.

2. Revise the proposed indicators and targets on equity and efficiency to reflect a clear stretch and transformative change in the education system and provide clarifications on the efficiency and learning outcomes indicator. Specifically:

    a) ***Efficiency indicator:*** The Committee finds that the proposed indicator and target of increased school inspection does not exhibit a clear systemwide efficiency gain. Further, the Committee requested clarification on the scope and impact of the increase of 25 percent of the domestic budget proposed for inspection.

    b) ***Equity indicator:*** The Committee finds that the proposed indicator and target do not truly reflect a transformative increase in girls' enrollment in secondary schools. In addition, the proposal to include only three provinces in the indicator is not necessarily a stretch leading to a transformative change in the sector. Further, instead of GPI, it may be appropriate to measure the net increase in girls' enrollment from the baseline. The Committee also recommends that all vulnerable groups are considered when proposing the revised indicator.

    c) ***Learning outcomes indicator:*** The Committee requests clarification on how the provincial action planning process will be scaled up in the rest of the country. It also encourages considering expanding the provincial action plans to include other aspects of the education sector. The Committee is pleased that the most recent data will be used as the baseline for measuring progress.

4.2 SECRETARIAT REVIEW MEETING – AUGUST 2020

In July 2020, PNG submitted a revised application for the Variable Part and the Additional MCA. The GPE Secretariat's Review Meeting assessed the Variable Part submission and concluded that it is not ready to be approved as it did not fully meet the program standards. The Secretariat in September 2020 accordingly informed the country that the Variable Part does not clearly articulate how the intended results will be achieved and how the proposed activities will unblock key bottlenecks in order to achieve these results (the Variable Part's theory of change and implementation along that theory of change). In addition, the Secretariat recommended PNG revisit the submission in the context of the COVID-19 pandemic.

4.3 DESCRIPTION OF THE REVISED VARIABLE PART

The revised Variable Part of the ESPIG and Multiplier ESPIG application is overall aligned with the NEP and Addendum (2015-2020). Overall, 30 percent of the original ESPIG and Multiplier ESPIG financing (US$3.17 million) is proposed as the Variable Part (US$2.12 million from the ESPIG and US$1.06 million from the Multiplier ESPIG). The duration of the Variable Part is proposed to be two years (the program's Year 3 and Year 4).

The **equity** dimension incentivizes a reduction in inequity in PNG's education system by focusing on improving female students' transition from primary to lower secondary. The selected strategy is aligned with the NEP and Addendum 2015-2020 and is expected to be aligned to the new NEP 2020-2029, which has identified improving gender equity as a priority area. The strategy for improving female student transition is relevant for improving equity in PNG's education system. The theory of change includes a range of specific costed interventions funded by Government or partners that address policy, institutional and supply-side barriers.

The **efficiency** dimension incentivizes the implementation of a strategy aimed at improving primary education survival rates. The selected strategy is aligned with the NEP and Addendum 2015-2020 and is expected to be aligned with the new NEP 2020-2029, which has identified the need to improve internal efficiency by focusing on reduction in dropout and repetition rates. The proposed strategy is relevant for improving system efficiency in PNG's education system. The strategy addresses enrollment and attendance at the national policy level and establishes missing data to enable the government and provinces to make evidence-based decision-making to improve the survival rate in the medium term. The results chain includes other interventions supported by the Government or partners to address the socio-economic and other root causes, systems and policies barriers, and school quality barriers.

The **Learning Outcomes** dimension incentivizes the implementation of a strategy aimed at improving the grade 5 literacy learning outcomes by focusing on training literacy teachers and organizing a provincially representative Pacific Island Literacy and Numeracy Assessment (PILNA) in 2021. The selected dimension is aligned with the NEP and Addendum 2015-2020 as well as expected to be aligned with the draft NEP 2020-2029 which has identified improvement in

primary learning outcomes as a core priority. The theory of change focuses on addressing data gaps as well as inadequate teacher skills and knowledge.

Below are the indicators and key targets for each sub-component of the Variable Part:

TABLE B: VARIABLE PART COMPONENTS: SUMMARY

Strategy	**Baseline**	**Year 3 target By June 2022**	**Year 4 target By June 2023**	**Total Disbursement**
A. Equity				
Increase Grade 8-9 transition rate for female students	63% (2018)	500 headteachers and Grade 9 selection committee members trained on Gender Equity in Education Policy (GEEP) female Grade 9 quota	67% Grade 8-9 transition rate for female students ($200,000 for each 1 %-point increase)	
Disbursement		$257,000	$800,000	$1,057,000
B. Efficiency				
Increase student survival rate[12]	0	National Enrollment and Attendance Policy and Guidance developed and disseminated	Trial student retention program in targeted primary schools	
Disbursement		$257,000	$800,000	$1,057,000
C. Learning outcomes				**D.**
Increase proportion of Grade 5 students achieving PILNA literacy level 5	51.8% (2018)	Conduct and report a provincially representative PILNA 2021	1,000 literacy teachers trained and supported	
Disbursement		$257,000	$800,000	$1,057,000
Total		$771,000	$2,400,000	**$3,171,000**

[12] Percentage of a cohort of students enrolled in the first grade of a given level or cycle of education in a given school year who are expected to reach successive grades (NEP 2015-2019)