Quality Assurance Review – Phase 3

Proposed GPE Grant Amount: US$ 1.8 million
Fixed Part: US$ 1.8 million, of which US$ 200,000 for Grant Agent's Implementation Support Costs
Implementation period: 3 years
Projected implementation start date: November 01, 2018
Grant Agent: Save the Children, US

1. BACKGROUND AND EDUCATION SECTOR OVERVIEW

1.1 COUNTRY BACKGROUND

The Kingdom of Bhutan is a small landlocked state in South Asia located in the eastern Himalayas, bordered to the south, east and west by India and to the north by China. Bhutan is one of the world's youngest democracies with a population of about 797,000[1] spread over approximately 38,000 square kilometers. Over the years, Bhutan has made impressive progress in reducing extreme poverty and promoting gender equality. The country's unique concept of Gross National Happiness (GNH) promotes a balanced approach to development encompassing good governance, conservation and community vitality, in addition to traditional socio-economic indicators. This development paradigm, prudent economic management and political stability have brought about a significant rise in living standards and improvements in development indicators.

Bhutan has remained as an independent nation throughout its history of existence. The country's theocratic system, established in the mid-17th century, came to an end in 1907 with the crowning of the First King of Bhutan by consensus and unanimous political backing. After 100 years of absolute monarchy, under the initiation and guidance by the Fourth King of Bhutan, the country became a democratic constitutional monarchy in 2008 when the first constitution was adopted and the first nation-wide parliamentary elections were held, leading to the promotion of democratic values and equitable distribution of development gains.

Bhutan is one of the smallest but fastest growing economies in the world. Bhutan's per capita GDP and the GDP growth rate, in 2016, stands at $2,804 and 8.0 percent respectively. Bhutan's Human Development Index (HDI) for the year 2016 has been recorded as 0.607 positioning it as 132 out of 189 countries and territories. According to the Bhutan Living Standard Survey 2017, 34 percent of the population reside in urban areas while the remaining 66 percent live in rural areas.

Despite many remarkable achievements in terms of various macroeconomic indicators, Bhutan still faces many challenges. One of the major challenges is the current account deficit of the country

[1] https://data.worldbank.org/country/bhutan

which remained high at 23 percent of GDP in 2016/17. Further, the country has not been able to achieve significant reduction in malnutrition; the prevalence of underweight (weight for age) for children below 5 has risen from 10.4 percent in 2008 to 12.7 percent in 2010[2]. The under-5 stunting is reported at 21.2 percent and stunting prevalence was higher among children in poorer quintiles of the population[3]. The country's heavy dependence on capital-intensive hydropower development has tied its source of growth to a sector that provides only limited employment opportunities. There is a labor market mismatch as educated youth have not been able to match their skills with the jobs present in the labor market. The unemployment rate for the 15-24 age-group for 2017 was 13.2 percent as compared to the overall unemployment rate of 2 percent[4].

	Bhutan
Population	797,000 (2016, World Bank)
Human Development Index Ranking	132 out of 188 countries (2016, UNDP)
GDP	US$ 2.23 billion (2016, World Bank)
GDP per capita	US$ 2,804 (2016, World Bank)
World Bank Income Classification Level	Lower Middle Income (2017, World Bank)

1.2 EDUCATION SECTOR OVERVIEW

Over the last decade, Bhutan has made significant progress to expand access to education. The Royal Government of Bhutan (RGoB) has been giving high priority to improving the quality of learning in primary schools and expanding access to secondary education. The country is near to achieving universal primary education (UPE) with a gross enrollment ratio (GER) of 110 percent and net primary enrollment rate (NER) reported at 94.8 percent. Further, Bhutan has achieved Gender Parity in primary education.

In 2014, Bhutan developed a comprehensive 10-year "Bhutan Education Blueprint (BEBP 2014-2024)". The Blueprint is aligned with and embedded in Bhutan's planning cycle, including Vision 2020 and the 11th and 12th Five-year Plans. The Blueprint focuses on transforming the education system to increase access, quality, equity, and efficiency. The government recognizes education as a basic right and a pre-requisite for achieving the country's social, cultural, and economic goals. The overall goal of the Blueprint is to have an efficient, high-performing and successful education system that prepares students, its future citizens, to thrive in a competitive and "fast-homogenizing"

[2] BMIS 2010, National Statistics Bureau
[3] National Nutrition Survey 2015, Department of Public Health, Ministry of Health, Royal Government of Bhutan
[4] Labor Force Survey 2016

world with knowledge, intellectual competence, and character[5]. While the government is committed to developing the education system, progress is constrained by the country's limited resources.

Socio-economic status, academic performance, and geographical location are key barriers to accessing educational opportunities, especially at the secondary and tertiary levels. Student learning outcomes are generally low and achievement levels decline as children move along grades. The expansion of primary education has also led to increased pressure on secondary and post-secondary schooling due to increased enrollment.

The education system in Bhutan has three main elements: general education, monastic education and non-formal education. The school education system consists of seven years of primary education (PP-6), including one year of preprimary, followed by four years of lower and middle secondary (7-10), and two years of higher secondary (11-12). The pre-school education provided by the Early Childhood Care and Development (ECCD) centers are for children of ages 3-5.

1.2.1 Learning outcomes:

Despite impressive gains in enrollment, the education system in Bhutan has not been able to provide quality education in classrooms; even students who graduate from primary and secondary schools lack adequate reading and numeracy skills. In 2009, Bhutan's Royal Education Council (REC) published a report which concluded that student learning outcomes in the country are below the minimum expectations for their grade levels and a majority of students are unable to perform basic numeracy and literacy tasks. The report, which was based on the analysis of results of Class 5, 7 and 9, also highlighted that a majority of students are unable to understand core concepts and apply knowledge to real-life situations across grades and subjects.

Further, in 2013 concerns were raised by the results of the National Education Assessment (NEA) for Class 10[6]. Only slightly over half of the Class 10 students achieved the minimum competency level in math while a little less than half achieved the minimum competency level in English. Only a much smaller fraction of the students achieved proficiency levels in both subjects. Similarly, in 2017, Bhutan Council for School Examinations and Assessment (BCSEA) conducted the Competency Based Assessment (CBA) for Class 3 and 6 students to assess core competencies in three main subjects: English, Mathematics and Dzongkha (national language). As per the assessment results, in Class 3, the mean score achieved in math was 29.7 percent and in English was 27.0 percent while the mean score in Dzongkha was reported as 34.2 percent.

Bhutan has recently participated in PISA 4 Development and will be expanding the NEA to Class 3 and 6.

[5] Bhutan Education Blueprint 2014-2024

[6] "BCSEA conducts the National Education Assessment (NEA) to monitor and propose recommendations towards improving the student learning outcomes." Bhutan Blueprint 2014-2024, page 111. The NEA has been conducted in 2003 and 2011 on grade 3 and 6.

Despite numerous existing assessments, the country is still striving to establish a harmonized and robust learning assessment mechanism. Major challenges are a lack of funding and the capacity to sustain such a mechanism. As a result, most of the existing learning assessments are not comparable and provide limited information for key policy decisions on education.

Overall, a lack of appropriate continued professional development opportunities for teachers, outdated curriculum, poor teaching and learning materials and an inadequate learning assessment system are some key variables which have resulted in poor learning.

1.2.2 Equity:

In terms of equity, despite nearly achieving UPE, there remains a significant gap in educational attainment among children in Bhutan. Learning outcomes vary significantly across the country and socio-economic groups, regardless of the type of assessments and examination systems mentioned above. The Gender Parity Index (GPI) for primary has been consistent at 1.02 from 2013 – 2017, indicating that there are more female students in schools than their male counterparts.

The country's major focus now is to extend education services to children in hard-to-reach areas as well as to expand ECCD in all regions of the country. In order to improve access, Bhutan is currently in the process of establishing large residential schools through support from the Government of India. These residential schools will provide education from Class 1 to Class 12. After the construction of schools, the government will most likely close schools in remote villages and regions by asking parents to send their children to these residential schools. It is also proposed to use some of these closed schools as ECCD centers. Partners and CSOs have expressed reservations on these residential schools as the modality may not be appropriate for younger children and their families.

On ECCD, overall, Bhutan has witnessed impressive growth in expanding access to ECCD services for 3-5 years old children through the establishment of community ECCD centers and parenting education programs, particularly in rural areas. The number of ECCD centers has gradually increased from just 6 private Day Care Centers in 2007 to 307 ECCD centers in 2017, which are providing services to around 7,300 children. As reported by the Ministry of Education (MoE) currently 21.8 percent of the country's 3-5 years old children have access to ECCD services. Key barriers to improving access to ECCD services include remote and hard to reach regions and high cost of ECCD services in urban areas.

1.2.3 Efficiency:

The education system in Bhutan has demonstrated a high level of efficiency characterized by low dropout and repetition rates. As per 2017 Education Statistics, the repetition rate in primary education was reported as 4.5 percent (3.8 percent for females and 5.3 percent for males) while the Dropout Rate was reported as 1.3 percent (0.6 percent for females and 2 percent for males).

As per recent statistics[7], 89 percent of the teaching force in Bhutan (9,400) have either undergraduate or higher degrees and the government has shown keen commitment to provide professional development opportunities to the current teaching force while improving the quality of pre-service teacher education in the country. The national pupil-teacher ratio (PTR) in the country is 18 with high and uneven distribution of teachers among schools. The PTR ranges from 2 to 51 which mean that some of the schools (mostly in urban areas) have over crowded classes.

Bhutan's Blueprint shows the government's strong commitment to promote efficiency through a systems approach to education to "maximize student learning outcomes for a given level of investment". One of the eight major transformation *shifts* proposed in the Blueprint is on restructuring the organizational structures at all levels of education management and administration to enhance the system efficiency and capacity.

1.2.4 Monitoring of Sector Performance:

Bhutan has recently constituted a forum called "Education Sector Coordination Meeting" as the Local Education Group (LEG). The Education Sector Coordination Meeting (ESCM) under the leadership of the Ministry of Education serves as a forum for sector dialogue and enhanced coordination and collaboration between the government, development partners and civil society organizations. Currently, UNICEF serves as the Co-Chair and Coordinating Agency representing development partners. Bhutan organizes regular Annual Reviews; however, currently only government functionaries participate in such review meetings. During the recent mission to Bhutan, the Secretariat suggested that the country consider expanding the Annual Review meeting by including participation of development partners and CSOs to promote comprehensive and effective dialogue. Currently, ESCM does not have representation from teachers as there is no separate teacher association or union in Bhutan. As per GPE Secretariat's recommendation, the government has expressed the willingness to expand the ESCM membership and invite teacher representative from Thimphu to participate and represent teachers in future ESCM meetings. There is a limited presence of development partners supporting the education sector in Bhutan. India is the largest bilateral donor, supporting a wide range of education interventions including construction of schools. UNICEF, Save the Children International and a few other NGOs provide support to the sector. The World Bank is currently not providing support to the Education Sector in Bhutan, however, the Bank participates in the ESCM. Similarly, UNESCO Natcom participates in ESCM and UNESCO/Delhi provides remote support to the sector as and when required.

[7] Annual Education Statistics 2017

2. FIXED PART REQUIREMENTS

2.1. Requirement 1: A credible, endorsed Education Sector Plan (ESP), or alternatively, a Transitional Education Plan (TEP).

In 2014, Bhutan developed a comprehensive 10-year" Bhutan Education Blueprint (2014 – 2024)". The Blueprint is aligned and embedded in Bhutan's planning cycle including Vision 2020 and the 11th and 12th Five-year Plans. The Ministry of Education carried out intensive consultations during the development of the Blueprint, including with communities and development partners. Historically, Bhutan has a strong planning structure with a five-year planning cycle to be followed by annual budgets. Bhutan's Blueprint follows the same structure in the planning and execution of education activities.

Bhutan's Blueprint was developed and finalized before the launch of GPE's 2014 Funding Model and therefore was not independently appraised before the approval and adaptation by the government in 2014. As per the Funding Model paper (BOD/2014/05—DOC 03), countries can apply to GPE ESPIG based on existing Education Sector Plans (ESPs), *"provided that it (ESP) is still valid and there is a costed multi-year implementation plan that covers at least the first two years of the grant cycle. If a government education sector plan exists but has not been endorsed by partners, Development Partners may conduct an appraisal and endorse the plan at any time during its implementation.* In case of Bhutan, the blueprint is now endorsed by partners as per GPE guidelines. Further, GPC reviewed and affirmed Bhutan's ESP requirements are aligned with the Funding Model guidance during its deliberations in October 2017.

In the absence of an independent appraisal, upon the request of the country in 2017, the Secretariat team reviewed the Blueprint against Education Sector Plan (ESP) quality standards. As per the Secretariat's review, the Blueprint is credible. However, in the assessment, it was identified that additional information on education financing and assessment systems would further strengthen the Blueprint. As per recommendations, the Ministry of Education through support from UNESCO drafted two additional chapters providing detailed information related to education financing and assessment. GPE Secretariat reviewed the initial draft chapters and provided inputs to the country which were incorporated in the final version. The Blueprint along with the two additional chapters were reviewed, endorsed and submitted to the GPE Secretariat by the Development Partners on January 31, 2018.

All strategies of the Bhutan Education Blueprint are being implemented through the 11th Five-Year Plan (2014-2018) and will continue to be implemented in the 12th Five-Year Plan 2018/19-2023/24. The draft 12th Five-Year Plan is being finalized and all proposed result areas are in line with the recommendations of the Education Blueprint. Both plans serve as costed operational plans.

As this is Bhutan's first ESPIG application, the Secretariat will continue its engagement with the country through the LEG and will provide assistance to the partners during the development of the next sector plan.

Conclusion: ***The Secretariat deems that Requirement 1 is met.***

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

Bhutan has shown a high level of political and financial commitments towards education and has considerably increased the amount of funding allocated to the sector over the last decade. In 2017, the country reported 21.2 percent of the government total expenditure (including debt servicing) towards education with a projected decrease to 20.6 percent in 2019.[8]

Bhutan has nearly achieved UPE and as such the 45 percent sub-requirement does not apply for Bhutan. The current primary completion rate is 97.01 percent and the adjusted net enrollment rate (NER) is reported at 94.8 percent. Bhutan has reported that it currently invests approximately 25 percent of its national budget in primary education. The current focus of the government is to expand access to ECCD and secondary schooling in the country.

Conclusion: ***The Secretariat deems that Requirement 2 is met.***

2.3. Requirement 3: Availability of Data.

The last ESA was conducted in 2014 based on 2012/13 data. The ESA includes analysis of existing policies and systems related to access, quality, equity, efficiency, financing etc. The Blueprint also includes information on projected enrolment at all levels until 2024, estimated based on the projected population figures published by the National Statistical Bureau and data from Annual Education Statistics 2014.

In 2017, the country conducted the Population and Housing Census of Bhutan. Results of the census are expected to be published in 2018. In consultation with partners, the Ministry of Education has decided to update the ESA after the census results are published as it will provide a better base for the analysis. This was reviewed and affirmed by GPC during its deliberations in October 2017.

The country undertakes regular assessments at the school level. National level Class 3, 6, 10 & 12 examinations take place every year while the National Education Assessment (NEA) is only conducted at Class 10. The country plans, including with support from the proposed GPE-funded program, to develop a robust assessment and policy framework to assess learning achievements at Class 3 and Class 6 levels.

[8] Bhutan Pledge at GPE Replenishment Conference 2017

Further, at the school level, there is a system in place, which assesses the performance of the school holistically based on three elements, namely, school self-assessment, school improvement plan, and school performance. School performance consists of academic learning, enabling practices, and GNH concepts which include physical and psycho-social components. In December 2017, the country participated in PISA 4 Development to benchmark the learning outcomes against other participating countries. Bhutan will also participate in the main PISA in 2023.

Bhutan regularly reports information to UNESCO UIS. The latest report year was 2016. The country has reported information on 10 out of the 12 indicators monitored by the GPE.

Conclusion: ***The Secretariat deems that Requirement 3 is met.***

3. ESPIG

3.1. PAST ESPIG PERFORMANCE, IF APPLICABLE

Not Applicable.

3.2 ESPIG DESCRIPTION

The requested grant amount of US$ 1.8 million is in line with the country's Maximum Country Allocation initially announced in 2014 and later updated in 2016. Save the Children US has been selected by MoE as the Grant Agent after consultation with other development partners.

The project components in the proposed program derive from the challenges and concerns indicated in the Blueprint and in the priorities embedded in the 11th and 12th Five Year Plans. As such, the proposed project is fully aligned with Bhutan's educational priorities and strategies, and benefits from strong national and development partner ownership. The program design is appropriate and clearly addresses improved and more equitable learning outcomes (GPE Goal 1), increased equity, gender equality and inclusion (GPE Goal 2), and effective and efficient education systems (GPE Goal 3).

In response to the challenges identified in the Blueprint, the proposed program will support MoE to focus on ECCD and learning assessments as transformative areas that can produce sustainable and system-level improvements. After successful implementation of the program, it is expected that: 1) More children, especially those from disadvantaged groups, are physically, intellectually, socially and emotionally prepared for schooling; and 2) Education policies and teaching/learning processes are informed and improved by robust and periodic learning assessments.

The proposed program consists of two components. Component 1 includes two inter-related initiatives designed, firstly, to increase the number of ECCD centers to be established in already available infrastructure (schools, community centers, etc.) and improve the existing ECCD Parenting Education Manual, and secondly, to provide in-service training for an additional 100 ECCD Facilitators of the newly established centers, develop and distribute a revised ECCD Parenting Manual, and improve the monitoring capacity of the MoE officials at Dzonkhag/Thromdes (district and township) levels. This initiative provides a strong basis for improving the access of children aged 3-5 in rural and urban poor areas to a better quality ECCD program, strengthening and supporting effective parent engagement in ECCD, and for improved program monitoring and supervision. Component 2 aims to develop a policy framework (a National Education Assessment Framework - NEAF), build the capacity necessary for a more reliable and credible assessment of school outcomes, and implement a stronger NEA using a sample-based methodology at Grade 3 level. It builds on gradual progress made to develop a systematic national assessment system and seeks to provide the policy framework and practical capacity necessary for efficient and effective monitoring of learning achievement in Grades 3, 6, 10 and 12. Importantly, an effective NEAF has the potential to enhance educational outcomes through the provision of reliable learning outcomes data that is necessary at all levels of the education system to inform policy, teaching practice and resource allocations.

Table A: ESPIG Components and Costs

		GPE Financing US$	% of total
	Total MCA	1.8 million	
	Program Components		
A	**Component 1:** Improve access to and quality of ECCD	1,093,100	60.7%
B	**Component 2:** Enhance national assessment system to improve learning outcomes	502,421	27.9%
C	M&E for MoE	4,479	0.2%
	Sub-total of Components	**1,600,000**	**88.9%**
	Grant Agent's Implementation Support Costs*	200,000	11.1%
GRAND TOTAL (with Grant Agent's Implementation Support Costs)		1,800,000	100%
	Agency Fees**	126,000	

* 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.

3.3 ASSESSMENT OF THE PROGRAM DOCUMENT

The proposed Program Document was prepared by the Grant Agent (GA) under the leadership of the Ministry of Education (MoE) and in close consultation with the Coordinating Agency (CA) and

other development partners including local CSOs. A significant amount of work was undertaken by the GA and the Government to incorporate the Secretariat's Quality Assurance Review – Phase 2 recommendations in the program document, which was prepared and submitted on March 20, 2018.

With regard to program design, the proposed program comprises of two main program components; the first addressing issues of quality and access to ECCD, the second addressing the development of a National Education Assessment Framework. As mentioned earlier, both priority areas are closely aligned with Bhutan's Vision 2020 and the Blueprint, and are informed by international 'best practice' in ECCD and the assessment of learning achievement. The first program component focuses on strengthening provision of ECCD, especially in rural and urban poor areas, and has potential to contribute to the government goal of increasing the ECCD access of 3-5-year-old children by 12 percent and reduce the gap in ECCD coverage, improve the quality of ECCD programs, and more broadly, address challenges related to health and nutrition through an improved parent education manual to resource the work of ECCD Facilitators. The second component focuses on assessment of learning achievement and has strong potential to 'drive' reform throughout the education system, including in teacher education curriculum, school curriculum, and textbook development, potentially offering to build a stronger foundation for sustained improvement in quality outcomes in schools. The Program Document includes a clear rationale and descriptions of the major initiatives in sufficient detail.

With regards to the program budget, cost at component, sub-component and activity level is included in the program document and generally well justified. The implementation support cost of the GA is 11 percent of the MCA, which includes supervision, monitoring and technical assistance. Given the small size of the overall MCA and as per the existing guidance (BOD/2013/11 DOC 06A), the Secretariat deems that the implementation support cost is reasonable.

The proposed **Results Framework** is aligned with the Blueprint and includes baselines and targets for each year of the program, where those are relevant. The **monitoring and evaluation** framework addresses all program components and sub-components and are broadly appropriate in terms of monitoring focus. It is proposed that monitoring activities will be based on existing approaches used by RGoB and Save the Children. The program document also outlines the responsibilities of the main agencies involved in monitoring at all levels of the RGoB system, including the Gross National Happiness Commission (GNHC) for overall program monitoring, and more specific responsibilities of the Project Coordination Unit (PCU) – which will be within the existing structure of MoE, MoE departments responsible for implementation, the GA and the CA. It is also mentioned that mid-year and annual program reviews will take place and the report of the reviews will be shared with the Education Sector Coordination Meeting (ESCM), acting as the LEG.

The **fiduciary aspects, implementation arrangements and readiness** are very well described and are based on existing experience of cooperation between the GA and RGoB. The program will be fully implemented using the government systems and processes. GA will channel funds to MoE through a specific account at the treasury/Government Budget Fund account maintained by

the Department of Public Accounts (DPA) with disbursements made, monitored and audited using regular RGoB processes, including audit by the Royal Audit Authority (RAA). The arrangements are appropriate given the proposed grant amount and necessary in further strengthening government capacity. Further, it is reasonable to expect that the program implementation will start without much delay as there are existing mechanisms in place between the GA and RGoB.

Risk identification and mitigation measures are relevant with realistic mitigation measures proposed in most cases given the context of Bhutan. Key risks are related to the availability of human resources for ECCD program implementation and government commitment to finance NEA activities. Proposed mitigation measures include recruitment of one additional program officer in the ECCD section and one additional planning officer and to ensure the inclusion and approval of the NEA budget in the 12th Five Year plan.

The program design is deemed **Sustainable**. RGoB will implement the activities supported by the grant and run the ECCD centers and the learning assessment system, including both technical and financial aspects, upon the completion of activities. GPE financing will support Bhutan to initiate the expansion of ECCD in rural and urban poor areas and conduct NEA in Class 3. Both of these are included in the Blueprint targets as well as 12th Five-Year plan. Further, salaries of ECCD facilitators' will be paid by RGoB and all financial responsibilities of GPE assisted activities will be assumed by RGoB after 2021.

All key elements of **aid effectiveness** are incorporated in the program design. The proposed program is fully aligned with Bhutan's educational priorities and strategies, and benefits from strong national and development partners ownership. It will be implemented using government systems and processes and will be reflected in government workplans and budgets.

4. Variable Part

As per BOD's decision (BOD/2014/02 DOC 06 REV.1), Bhutan's MCA was under the "IDA Eligible Small Island and Small Landlocked Developing States" category (Page 13). The annex on small island states lists countries for which the entire MCA can be "Fixed", without the "Variable Part". Although Bhutan was inadvertently not listed under this annex, the Secretariat assessed that the same criteria "Individual Allocations of approximately US$1 million each – US$4 million" applies to the country; therefore Bhutan's application is entirely Fixed Part only.

5. Recommendations

The Secretariat recommends the Grants and Performance Committee to consider that the three funding model requirements are met. Given the context of Bhutan, the Secretariat finds the proposed program is relevant in the country context and well aligned with Bhutan's Education Blueprint 2014-2024.

The Secretariat finds Bhutan's first ESPIG application robust with a specific focus on critical gaps in education provision in Bhutan, especially for its focus on building a basis for improved access to higher quality ECCD, and on the assessment of learning achievement, itself potentially a significant 'driver' of reform across the sector. The Government and GA responded positively to the recommendation of the QAR II especially related to Secretariat's concerns on how to critically improve access to pre-school education and whether creating formal centers in the context of geographically scattered populations in the country would solve the issue. Responding to Secretariat's concerns, the Government and GA propose to scale up UNICEF-supported initiatives through promoting mobile ECCD facilitators program to hard-to-reach population. The Secretariat further recommends that RGoB continue the focus on equity in the selection of ECCD centers.

Further, the Secretariat recommends Bhutan to conduct additional analysis and discussion with communities on the establishment of central residential schools to find a good balance between children's best interests and efficiency in service provision. The Secretariat also suggests that Bhutan expand the current Annual Review meeting to include participation from development partners including CSOs and teacher representatives to promote comprehensive and effective dialogue. These reviews could greatly help RGoB and partners in jointly assessing whether Blueprint strategies are working or if there is a need for course correction given the long period of the Blueprint.

The Secretariat advises the Grants and Performance Committee to recommend the GPE Board for the approval of US $ 1.8 million grant to Bhutan with Save the Children US as the Grant Agent.

Annex 1: Major Interventions of Development Partners

Donor name	Major interventions	Financial scale
UNICEF	Scaling up ECCD; Inclusive education; Non-Formal Education; Teacher education and development; Youth friendly integrated services; WASH	US$ 939,000.00 (for 2018 only)
	Equitable access and high-quality of education (ECCD, Basic Education, Special needs education, EMIS)	US$ 6,700,000.00 For 5 years (current Country Program 2014-2018)
Save the Children	**ECCD:** Capacity building for ECCD facilitators (ECCD Diploma & Development of Refresher training package); Development of standards for Creches; **Basic Education:** Provision of children's books; Support to Career Education and Counselling Division, and Youth Center program)	US$ 118,000 (2018 only)
	Disaster management: Develop interactive DRR teaching-learning materials; Review of school curriculum to formulate a DRR Education Curriculum Framework; DRR and CCA integration in class XI and XII Environmental Science	US$ 133,000 (2017 -2018 only)
WFP	School Feeding Program School Agriculture Program	US$ 662,860 (for 2018 only
UNFPA	Life Skills Education Youth related programs	US$ 46,000 (for 2018 only)
ADB	Skills Development Project (Technical and Vocational Education)	US$ 2,500,000 (for 5 years in the 12th FYP 2018-2023)
Government of India	Undergraduate Scholarship Program	Nu. 550 million for 5 years in the 11th FYP 2013-2018)
	School Reform Program (Construction of Education Infrastructure)	Nu. 3536.4 million for 5 years in the 11th FYP 2013-2018)

Annex 2: Quality Standards for the Assessment of Program Documents

Criteria	Description of Criteria	Observations
1. Program Design	Program addresses critical evidence-based challenge(s) identified in the education sector plan	**Yes, the program of increasing equitable access to ECCD and enhancing the quality of ECCD is aligned with the Bhutan Education Blueprint (2014-2024) and forthcoming 12th Five Year Plan intended to implement the second wave of the blueprint from 2018-2020.** The 12th Five Year Plan generally shifts the focus from access to education to quality of education, though ECCD is considered a high priority as demonstrated through their key performance indicator of ECCD NER (PD, p.10). The program therefore addresses major challenges identified in the sector plan on access to ECCD for children in disadvantaged and remote areas (BEBP 2014-2024, p.24-25), and low learning outcomes in reading, mathematics and science (BEBP 2014-2024). The GA also will build upon their existing core strengths in ECCD. ***This sub-standard is considered met.***
	Program has a logical and evidence-based results chain between interventions, outputs and outcomes	**Yes, the program has a logical results chain with their objectives, activities, outputs, and outcomes.** The purpose of Component 1 is to improve access and quality to preprimary education in remote areas. The establishment of 100 ECCD centers in remote areas and the scaling up of the pilot on mobile facilitators in areas with less than 10 preprimary aged children will improve access to ECCD. The purpose of Component 2 is to improve learning outcomes with the strengthening of the learning assessment, the capacity building of experts to improve design and data analysis, the learning assessment in Class III, and advocate for continued and further financing for education.

		This sub-standard is considered met.
	GPE's strategic goals and objectives are adequately reflected	**Yes, the program is aligned with GPE strategic goals.** The equity and efficiency goals are reflected in the component 1 on improvement of access to ECCD for children in remotes areas. The learning goal is reflected in component 1 and 2 with enhancement of ECCD facilitators and activities that will inform education policies and teaching/learning processes. The efficiency goal is cross-sectoral. The school readiness through ECCD, the improvement of education quality through teacher training activities and the availability of data to inform policy decisions will be key to improve system efficiency. ***Conclusion: The standard on program design is met.***
2. Program Budget	Program cost is justified	The PD includes a detailed budget on pages 51-52. It provides information on appropriate unit costs by activities, sub-components and components. On page 53-56, Annex 6 is detailed presentation of program management costs. The total amount of the budget is $1.8 million including program management costs. ***Conclusion: The standard on program budget is met.***
	Program is cost-effective (assessment tool under development)	
3. M&E	Program includes an M&E framework comprised of a strategy and methods to ensure accountability for achievements	**Yes, the program includes an M&E framework.** The monitoring of program activities is the responsibility of the GA in collaboration with the divisions of MoE. The program will institutionalize MoE monitoring of ECCD by decentralized monitoring responsibilities with the MoE's District/Thromde education offices. At the local level, schools (principals, teachers, and parents) will be monitoring ECCD activities and reporting to districts (DEO/TEO). At the national and agency levels, the Gross National Happiness Commission (GNHC), the GA and MoE focal persons will be monitoring and verifying

		implementation of program activities. The framework also includes mid-year and annual reviews, mid-term review with key stakeholders and end of program review (PD, page 40-42). The PD presented in Annex 4 provide details of the M&E framework with clear division of roles and responsibilities as well as means of verification and frequency of reporting (PD, page 50-51). ***This sub-standard is considered met.***
	Results Framework is robust and covers all interventions	**Yes, the Results framework in Annex 2 and 3 is adequate and stated activities are intended to contribute to expected outputs and outcomes.** Indicators are adequate for outputs and outcomes and cover all interventions of the program. ***Conclusion: The standard on M&E is met.***
4. Implementation Arrangements and Readiness	Implementation arrangements are appropriate	**Yes, the implementation arrangements are appropriate.** The program will be implemented by the MoE with oversight of the GA (Save the Children) and under the guidance of the Coordinating Agency (UNICEF) which will lead the Local Education Group (LEG). The Policy and Planning Division of the MoE will be the Program Coordination Unit (PCU). The Secretariat of the MoE will provide oversight and direction on the implementation. The ECCD and SEN division will implement Component 1 while the Bhutan Council for School Examinations and Assessment will implement Component 2. The GA is responsible for fiduciary oversight, monitoring of progress and will provide mostly technical assistance. All implementing agencies, key stakeholders and the MoE are represented in the program review committee to discuss progress during JSRs, mid-term review and end year reviews. The GA will disburse funds to the Department of Public Account (DPA) with oversight from the GNHC. The funds will then be disbursed to Administration and Finance Division of the implementing agencies using national systems (PD, p. 39). ***This sub-standard is considered met.***

	Program is ready to be implemented	**Yes, the program is ready to be implemented.** The MoE has already institutionalized many prerequisites for establishing ECCD centers such as "a curriculum implementation guide, ECCD facilitators training manuals, parenting education manuals, an ECCD center operation guideline, which includes minimum standards required for establishing an ECCD Center, Early Learning and Development Standards for 3-5 year old children, institutionalization of monitoring of ECCD centers, inclusion of ECCD data into EMIS, decentralization of some ECCD activities to the District Education offices and Local Government for efficiency, etc" (PD, p.24). The GA has already developed relationships with the CA and LEG will create an Education Sector Coordination Meeting to coordinate the project. The ESPIG package includes a detailed workplan with a timeline for implementation of activities and organization of reviews. It will be important to complete the targeting/site selection for the new ECCD centers and any feasibility studies as early as possible. This work is progressing with the first set of sites for the new centers having been identified. ***Conclusion: The standard on implementation arrangements and readiness is met.***
5. Risk(s) Identification and Mitigation Measures		**Yes, the PD includes a risk assessment with appropriate mitigation strategies.** The main risks identified are i) shortage of human resources in ECCD division, ii) lack of trained full time ECCD facilitators available for the new established centers, iii) natural disasters, and iv) insufficient fund commitment from the government for contribution to the class III NEA. Mitigation efforts include recruitment of at least one program and planning staff member; exploring interim measures to staff ECCD centers with non-formal education teachers and 'regularizing' ECCD facilitators; extending disaster management standards and

		ensuring compliance to ECCD; and advocating and ensuring approval of NEA in 12th Year Education Plan. ***Conclusion: The standard on risk is met.***
6. Sustainability	Program has been designed to be sustainable	**Yes, the PD discusses sustainability and states that the RGoB will assume financial responsibilities of activities under both components after 2021.** The goal is for the Royal Civil Service Commission to include ECCD facilitators' salaries in their budget. Activities under component 2 are mostly capacity building and will reinforce the learning assessment system in Bhutan. ***Conclusion: The standard on sustainability is met.***
7. Aid Effectiveness	Program is aligned with the main criteria of aid effectiveness	**Yes, the program is aligned with the main objectives of the Bhutan Education Blueprint (2014-2024) and the forthcoming 12th Five Year Plan intended to implement the second wave of the blueprint from 2018-2020.** As stated earlier, implementation, disbursement of funds, monitoring and reporting will be done through national systems. The MoE will house the PCU and the Gross National Happiness Commission will monitor the overall program while DEOs/TEOs will monitor ECCDs. The Royal Audit Authority will be responsible for the audit. The validation by the LEG of the proposed program is described in detail in the ESPIG application form on page 36: "The ESCM members were fully consulted at every step of the GPE/EGPIG proposal development. They were fully engaged in the needs assessment, appraisal, proposal drafting and finalization. […] The RGoB's leadership was also strongly demonstrated in coordinating the EDCM members throughout the process." ***Conclusion: The standard on aid effectiveness is met.***