LIBERIA EDUCATION SECTOR PROGRAM IMPLEMENTATION GRANT ALLOCATION: REPORT FROM THE GRANTS AND PERFORMANCE COMMITTEE

For Decision

Please note: Board papers are deliberative in nature and, in accordance with the GPE Transparency Policy, are not public documents until the Board has considered them.

1. STRATEGIC PURPOSE

1.1. The purpose of this paper is to request the Board to approve an allocation for an education sector program implementation grant (ESPIG) to Liberia, as recommended by the Grants and Performance Committee (GPC) following its discussion of the grant application during its June 28-29, 2017 meeting.

2. RECOMMENDED DECISION

2.1. The GPC recommends the Board approve the following decision:

BOD/2017/09-XX–Approval of Allocation for an Education Sector Program Implementation Grant to Liberia: The Board of Directors with respect to the application submitted in the second round of 2017:

1. Notes compliance with the requirements for accessing the fixed part of the maximum country allocation, as described in the application and summarized and assessed in Annex 2 to BOD/2017/09 DOC 02

2. Notes compliance with the incentives for accessing the variable part of the maximum country allocation and approves the indicators on Equity, Efficiency, and Learning and their means of verification, as described in the application and assessed in Annex 2 to BOD/2017/09 DOC 02.

3. Approves an allocation from GPE trust funds for an Education Sector Program Implementation Grant (ESPIG), as described in the application submitted and summarized in Table 1 in BOD/2017/09-XX 3 (c), subject to:
   a. Availability of funds.
   b. Board decision BOD/2012/11-04 on commitment of trust funds for ESPIGs in annual installments.
   c. GPC recommendations for funding include (all amounts in US$):
Table 1 Application Summary and GPC Allocation Recommendations for an ESPIG in US$:

<table>
<thead>
<tr>
<th>Country</th>
<th>Liberia</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Maximum Country Allocation</td>
<td>11,900,000</td>
</tr>
<tr>
<td>b. Allocation Requested (100%)</td>
<td>11,900,000</td>
</tr>
<tr>
<td>c. Fixed Part</td>
<td>8,330,000</td>
</tr>
<tr>
<td>d. Variable Part</td>
<td>3,570,000</td>
</tr>
<tr>
<td>e. Allocation Recommended by GPC</td>
<td>11,900,000</td>
</tr>
<tr>
<td>f. Grant Agent</td>
<td>World Bank</td>
</tr>
<tr>
<td>g. Agency Fee % - Amount</td>
<td>1.75%–208,250</td>
</tr>
<tr>
<td>h. Period</td>
<td>4 years</td>
</tr>
<tr>
<td>i. Expected Start Date</td>
<td>November 5, 2017</td>
</tr>
<tr>
<td>j. Variable Part Disbursement Modality</td>
<td>Ex-Post</td>
</tr>
<tr>
<td>k. Funding Source</td>
<td>GPE Fund</td>
</tr>
</tbody>
</table>

4. Requests the Secretariat to:

   a. Include in its notification to Liberia, the relevant grant agent and coordinating agency, for distribution to the local education group (LEG) of the approval of the allocation and the expected timeframe for signing of the Grant Agreement and grant effectiveness, as applicable, the conditions, requests for report-back, and observations on the program as recommended by the GPC and set out in Annex 1 to BOD/2017/09 DOC 02.

   b. Include an update on the issues listed as “conditions” and “report back” in the annual Portfolio Review.

3. **BACKGROUND**

   3.1 The Committee assessed the grant application from Liberia and discussed whether it met the funding model requirements to access the fixed and variable part of the maximum country allocation.

   3.2 Prior to the discussion, the following conflict of interest was disclosed:

   - Douglas Sumerfield, World Bank, as representative of the grant agent for the proposed program.

   3.3 The GPC had a rich discussion regarding the application and found that Liberia met the requirements with some caveats that need to be addressed. While the share of primary education does not reach the 45 percent threshold, the government has committed to a growth path to increase the share of primary education towards 45 percent while investing an additional 11 percent in pre-

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1 Includes US$830,000 for the cost of the grant agent to perform its roles and responsibilities (formerly supervision fees). Per decision BOD/2015/10-02 supervision fees are funded from the maximum country allocation effective from the second funding round of 2016.
primary, which includes many primary-aged children. The GPC thus considers that the second sub-
requirement on domestic financing is met.

3.4 The primary discussion points are summarized in Annex 1. The evidence for meeting the
requirements and quality standards is set out in Annex 2.

4. **PLEASE CONTACT** Margarita Focas Licht ([mlicht@globalpartnership.org](mailto:mlicht@globalpartnership.org)) for further
information.

5. **ANNEXES**

5.1 This paper includes the following annexes:

- Annex 1 – GPC Observations, Report-Backs, and Conditions
- Annex 2 – Secretariat Final Readiness Review

5.2 The following is available on the [Committee eTeam site](#):

- Liberia ESPIG Application Package (GPC/2017/06 DOC 02)
### Liberia

#### Observations
The Committee appreciates the coherent program with a central focus on quality, as well as the proposal for the variable part which includes strategies with clear transformative potential in leveraging reform in the assessment of learning achievement and overall management of the teaching workforce, in enabling more equitable distribution of qualified teachers and more informed decision-making with respect to school quality and areas where curriculum reform is needed.

The Committee encourages the government to accelerate the growth path of the share of the education budget to primary education to reach 45% within the timeframe of the program.

The Committee further notes the importance of close supervision by the grant agent, and encourages the grant agent to establish in-country presence of education specialists.

While the Liberia application makes clear that GPE funding will not be channelled to Partnership Schools for Liberia (PSL), civil society expressed concerns regarding the potential equity consequences of PSL for the education sector as a whole, noting that the requirement of a strong and credible education plan, in the absence of clarity on the future of PSL and consensus on its role, is compromised. Consequently, civil society sees this as a significant risk. The Committee urges that annual joint sector reviews maintain vigilance on equity broadly within the Liberian education system.

Finally, the Committee encourages the local education group to continue building its strong and robust consultation practice by providing timely reporting during ESP and program implementation.

#### Report-Back
The Committee commends the targeting of disadvantaged counties which will be an important contribution towards the equitable implementation of the ESP. It looks forward to receiving a report-back, within 3 months (by end of October 2017), on the actual selection of the targeted counties, based on clearly defined educational and other criteria related to children’s health and well-being. The Committee underlines the importance of involving teachers and their representative organisations, and other stakeholders, in the process.

Given the importance of joint sector reviews in advancing the education sector plan (ESP), the Committee commends Liberia for regulating the joint sector review to take place annually and looks forward to reading about progress on the implementation of the ESP and its assessment in the joint sector review in the annual progress report.

The Committee notes the complex issues of overage enrolment in the education system and that the program addresses this issue. The Committee looks forward to reading about progress in this area in general in the annual progress report, and
specifically in schools targeted by the program as well as on the evolution of the actual school fees in the schools supported by the project, and more generally the progress towards fee-free pre-primary education.

In the context of the importance of alignment with and strengthening of national systems, the Committee is eager to learn about the progress on capacity building and measures taken to ensure fiscal sustainability of interventions during ESP implementation in general and specifically of the program.

| Condition | Regarding the variable part, the Committee expresses concern about the rollover of payment linked to unmet targets from one year to subsequent years. Such a rollover may undermine the transformative potential of the strategies presented for accessing the variable part, and the stretch effect of indicators and targets. Prior to the signing of the grant agreement with the grant agent, the Committee requests a letter from the government confirming that any rollovers are limited to one year, and no roll-over is permitted for the indicator on the register of teachers on the government payroll. |
ANNEX 2 – SECRETARIAT FINAL READINESS REVIEW

LIBERIA
Quality Assurance Review - Phase III
Final Readiness Review

Proposed Grant Amount
Fixed Part: US$ 8.33 million (including US$ 0.83 million grant agent cost); Variable Part: US$ 3.57 million
Implementation period: 4 years
Projected implementation start date: 25 December 2017
Grant Agent: The World Bank

1. BACKGROUND AND CONTEXT

Liberia is a low-income country in West-Africa with per capita income of US$ 456. Liberia’s post-war gross domestic product (GDP) growth had been strong from 2004 to 2013. Real GDP grew on average 7 percent annually. Hit by a twin shock – the Ebola epidemic and a fall in commodity prices – Liberia’s GDP growth dropped to 0.7 percent in 2014, 0 percent in 2015 and a contraction of -1.2 percent in 2016, with severe negative impact on the government budget. The latest International Monetary Fund (IMF) projection is for GDP to realize a modest rebound, to 3.2 percent, in 2017.

Although gross national income per capita has nearly doubled since 2003, Liberia continues to have one of the lowest human development indices in the world, ranking 177 out of 188 countries. The level of poverty in Liberia remains high. Nearly 70 percent of the 4.7 million inhabitants in Liberia (nearly 30 percentage points higher than other countries in Sub-Saharan Africa) lives on less than US$ 1.90 per day.

Liberia is a post-conflict country with substantial levels of vulnerability and fragility. The protracted 14-year civil war from 1989 to 2003 cost the lives of approximately 250,000 people and led to substantial losses in material wealth and social progress. Since 2003, with the support of development partners, including a robust United Nations Peacekeeping Mission in Liberia (UNMIL), the country has maintained peace and stability, revived the state administration, improved governance, rebuilt basic infrastructure and made progress on key human development indicators. However, UNMIL is now withdrawing and thus transferring full security responsibilities to the Government of Liberia. This transition will become one of the most significant milestones for Liberia but may contribute to some uncertainty in the security environment. In addition, presidential and legislative elections are scheduled for October 2017 which may result in political uncertainty, particularly within government ministries.

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2 World Economic Outlook, IMF, 2017

3 http://data.worldbank.org/indicator/SI.POV.DDAY,

The second Poverty Reduction Strategy called the Agenda for Transformation (2012) and Liberia Rising Vision 2030 (2015) are the overarching long-term and five-year medium-term development plans. Consistent with the development vision of economic growth, a peaceful and inclusive political system, a diversified economy, stable institutions and healthy and productive citizens, the Agenda for Transformation’s goal for the education sector is “to ensure equal access to a high-quality free and compulsory basic education and to a variety of post-basic education and training opportunities that lead to an improved livelihood and/or tertiary education”. This commitment aligns with Sustainable Development Goal 4: “to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” (UNESCO, 2015).

2. **EDUCATION SECTOR PERFORMANCE**

2.1 **Education Sector Overview**

The formal education system in Liberia is organized as follows: early childhood education (ECE), is comprised of three years, for children between the ages of 3-5; basic education, which is comprised of nine years, including six years of lower basic education (Grades 1-6) for children aged 6-11 and three years of upper basic education (Grades 7-9) for children aged 12-14; senior secondary education, which is comprised of three years of either academic or technical and vocational training, for children aged 15-17 and designated as Grades 10-12; and tertiary education, which includes certification, diploma, degree and post-graduate programs offered by teacher training institutes, colleges and universities.

Gross enrolment rate in ECE is extraordinarily high, growing from 37 percent in 1984 over 98 percent in 2007/08 to 116 percent in 2015. This is driven by the high number of overaged children. If taken per grade, the percentage of overaged children is at 74.7 percent.

Gross enrolment rate in primary is at 87 percent, down from 94 percent in 2005/06. The Education Sector Analysis (ESA) has found a sharp decline in enrolment between 2011/12 and 2014/15, with a drop of 6.43 percent between the 2011/12 and 2012/13 school years (an entire year before the first Ebola outbreak) and 14.01 percent between 2012/13 and 2013/14. Even if the latter might have been influenced by the Ebola outbreak, this decline is worrisome. Since the reopening of schools after Ebola, the trend has been reversed with enrolment figures again reaching the levels of the 2011/12 school year. Overage enrolment is even more substantial in primary, with 82 percent of students overaged for their grade. Approximately 40 percent of primary school students are more than three years older than the appropriate age for their grade. The 2013 Demographic and Health Survey (DHS) data on survival shows a marked (though gradually declining) improvement over the 2007 data in all grades, except Grade 9. The Grade 6 survival figure is estimated at 69 percent. An estimated 16 percent of children never enroll in primary school. Primary completion rate is at 59 percent.

Gender parity index (GPI) in enrolment for primary is at 0.96 which is slightly better than the 0.93 target set for 2015 in the Education Sector Plan (ESP) and at 0.98 for junior secondary. However,
the girls’ share in primary enrolments varies greatly by county, with three counties having a GPI under 0.8. Regional disparities are in general quite substantive, with, for example, the gross enrolment rate being as low as 53 percent in Gbarpolu. Moreover, the ESA shows inequity in distribution of education resources. Montserrado, including the capital Monrovia, has a disproportionately high share of teachers in general (student teachers ratio ranges from 21:1 to 41:1 across counties), and qualified teachers in particular (student qualified teacher ratio is ranging from 34:1 to 90:1 across counties) as well as classrooms (student classroom ratio ranges from 30 to 49 across counties). Finally, the ESA also points to the finding that children aged 6-11 from urban and wealthier households are twice as likely to attend primary school compared to counterparts from rural and poor households.

With regards to monitoring learning outcomes, only the West African Examination Council (WAEC)-led sub-sector exit exams organized around core and supplementary subjects in Grades 9 and 12 are systematized. Pass rates of these examinations have dropped from 83.8 percent in 2012 to 59 percent in 2014 for Grade 9, and from 81 percent in 2007 to 72.5 percent in 2012 to 46.8 percent in 2014 for Grade 12. In addition, several baseline studies in early grades literacy have shown that levels are low and unevenly distributed, with a large share of students earning “zero scores” on several sub-tests.

2.2 **Incorporation of findings of the Funding Model Requirements**

**Requirement 1: A credible, endorsed Education Sector Plan (ESP), or alternatively, a Transitional Education Sector Plan (TESP)**

The appraisal report concludes that the G2B-ESP (Getting to Best Education Sector Plan) 2017-2021 is credible and consistent with the Government of Liberia’s development priorities. In particular, the appraisal report commends the evidence-based approach of the G2B-ESP which is highly remarkable in a country that has been struggling with substantial data issues. The reinforcement of data, both by the strengthening of the Education Monitoring and Information System (EMIS) through the Education Sector Plan Development Grant (ESPDG) and by the ESA, has enriched the policy dialogue. This has also led to a broadening of the scope of the G2B-ESP, including on equity issues, which were less explicit in the first draft submitted for initial comments to the Secretariat. In general, the assessment of the ESP is remarkably positive, taking into consideration the fragility of the country.

Nevertheless, the appraisal report contains two important caveats with regards to its assessment. Firstly, the assessment by the appraisal report that the ESP is credible hinges on an introductory remark which states that “G2B-ESP is a sector-wide plan, but not a full sector plan. It is a programmatic plan structured around nine strategies (or programs), each consisting of between two and five components”. The appraisal report references this programmatic approach as the explanation for the limitation of the financial framework of the ESP. In addition, it mentions that the plan is credible “to the extent that the sector plan can be appraised without its operational plan.”
Taking into consideration the recommendations by the appraisal report, the ESP has been complemented with an operational plan. Since this operational plan was not included in the appraisal, the Secretariat has processed its own assessment. The Secretariat considers that the operational plan, together with the many operational elements included in the ESP, sufficiently reinforces the credibility of the ESP. Moreover, it provides the necessary tool to successfully monitor the implementation of the ESP through the joint sector review. Given the track record of Liberia in that respect, the Secretariat advises the GPC to include a report back request on the implementation of the ESP, and its assessment by the joint sector review. This will also necessitate the government and its partners to follow up on the technical and financial feasibility of the ESP, which could need further strengthening during implementation.

The ESP was approved by the Government of Liberia and endorsed by the Local Education Group (LEG) including local civil society organization and the National Teachers Association of Liberia.

**Conclusion: Liberia fulfills the first requirement on the availability of a credible, endorsed Education Sector Plan (ESP)**

**Requirement 2: Evidence of commitment to ESP or TESP and its financing**

The Government commits to financing the ESP. G2B–ESP relies on an expenditure framework which looks at possible reallocations of the current budget towards core sector priorities, the use of efficiency savings from the payroll reform, and ring-fencing of future budget increases.

With regards to the commitment to increase the domestic share of resources to education progressively towards 20 percent, the share of education in recurrent budget has increased from 12.3 percent in 2014/15 to 16.3 percent in the 2016/17 budget. According to the latest projections, this would go to 16.4 percent in the 2017/18 budget and further increase to 17.2 percent in the 2018/19 budget, exceeding earlier projections by guarding education from cuts in a harsh budget environment as a consequence of the negative economic aftermath of the Ebola-crisis (contraction of GDP and thus reduction of government budget).

With regards to the commitment to allocate at least 45 percent of the recurrent education budget to primary education, an estimation was done based on the allocation of teachers to the different subsectors. This led to the conclusion that only 40 percent of the education budget goes to primary education, though a growth path to reach 43 percent by 2021/22 is envisaged based on the ESP strategy to hire additional C certificate teachers to teach at the primary level and to improve transition rates for overaged students from ECE schools to primary schools. Moreover, the government spends an additional 11 percent on pre-primary, which the GPC during its January retreat indicated as “a mitigating factor that will be taken into consideration”. In Liberia, the pre-primary is effectively catering for large population groups across the country, including many primary-aged children. Moreover, the ESP addresses the issue of overaged children which will lead to rebalancing of the budget to the benefit of primary education while providing age-appropriate education in ECE.
Given that the Government of Liberia has substantially increased the budget share of education in recent years with a further planned increase going forward, Liberia fulfills the first sub-requirement on domestic financing. While the share of primary education does not reach the 45 percent threshold, the government has committed to a growth path to increase the share of primary education towards 45 percent while investing an additional 11 percent on pre-primary, which includes many primary-aged children. The Secretariat thus recommends to GPC to consider that the second sub-requirement on domestic financing is also met.

Requirement 3: Availability of Data or a Strategy to Obtain Data

First of all, an extensive education sector analysis was done for the preparation of the G2B-ESP, broadly covering the different core issues indicated in the GPE Education Sector Plan Preparation Guidelines. As mentioned, the evidence-based approach of the G2B-ESP has been commended by the appraisal report which is highly remarkable in a country that has been struggling with substantial data issues. This has been made possible through ESPDG funding which has been used to reinforce EMIS. Contrary to previous years, all proxy indicators are now reported to and published by UNESCO Institute of Statistics (UIS), either for 2014 or 2015, with the exception of figures on education financing (which are included in the application package). The G2B-ESP includes an annual census as well as a time-bound plan for strengthening the national EMIS to produce reliable education and financial data and reporting systems as well as to establish a national assessment system for Grades 3 and 6 (to complement the existing WAEC-led sub-sector exit exams organized around core and supplementary subjects in Grades 9 and 12). GPE resources will be used for the implementation of these plans. Liberia thus fulfills the third requirement on data availability.

2.3 Monitoring of Sector Performance

The Education Sector Development Committee (ESDC) is a monthly meeting of stakeholders in the education sector including the Ministry of Education (MoE), multilateral (UNICEF, EU, UNESCO, and when in country World Bank) and bilateral (USAID) agencies, INGOs (INGO Forum represented by IBIS, Save the Children, OSIWA, Plan International and Concern), CSOs (LETCOM, COTAE, CENTAL, YOCEL) and the teacher association NTAL for sector-wide updates.

Joint sector reviews (JSRs) are irregular, with the last one organized in July 2015. While that joint sector review captured some experiences in extensive presentations, no assessment report of the sector was written, nor was a finalized aide memoire of the review distributed. It was only at the time of the ESA and new ESP development that progress on sector indicators and strategies of the current ESP were evaluated. This said, at the end of 2015 and 2016, the MoE distributed an annual implementation report. Moreover, the new ESP envisions that there will be an annual JSR including a midterm review in late 2019. Given this track record, the Secretariat advises the GPC
to include a report back obligation on the implementation of the ESP, and its assessment by the joint sector review.

3. **GRANT INFORMATION**

3.1 **Previous ESPIG Performance, if Applicable**

Liberia joined the Global Partnership for Education in 2007. It has received one Fast Track Initiative (FTI) grant of US$ 40 million in 2010, with the World Bank as the Grant Agent, to improve management capacity and accountability at the central and school levels for school construction in rural areas, procurement and distribution of teaching and learning materials, and school based management (school grants).

After several restructurings, including three extensions, the project closed on October 31 2016. Next to the Ebola crisis, the long implementation period was, according to the last implementation status report, amongst others due to (i) overlaps between the originally envisaged activities and activities by other partners, (ii) the 2011 Presidential elections and related transition in the senior management of the Ministry as well as (iii) the complexity of its original design and capacity constraints of the Ministry. Moreover, several stakeholders indicated that the next program could be better integrated within the Ministry to guarantee knowledge transfer.

The current timeline again leads to a start of the project around presidential elections, but complementarity with other donor interventions has been well integrated in the current proposal which still has a substantial number of activities, though fewer than its predecessor and with strong inter-linkages between components. Moreover, the implementation period is estimated at 4 years instead of 3. The new proposal continues to rely heavily on specially established structures, including a Project Delivery Team (PDT) and Project Financial Management Unit (PFMU). The program document however stresses that it will be important that those structures work with government counterparts and focus on building capacity through training MoE counterparts and learning by doing.

3.2 **Basic Grant Description**

The objective of the proposed program is to improve equitable access to early childhood education (ECE) and teacher quality in ECE and in primary education in targeted disadvantaged counties as well as to strengthen national school accountability systems. Component 1 will provide school improvement grants to public schools with ECE-classes and community-based ECE (for areas currently without ECE) to enhance quality of and access to early childhood education in selected disadvantaged counties of Liberia. Component 2 will support ECE and primary teacher training and certification in the same counties. Component 3 envisages to improve school management, accountability and monitoring systems through the establishment and monitoring of school quality standards and accountability systems and principal training. Technical assistance (TA) to strengthen EMIS and national learning assessment will be provided through component 5 which also addresses project management.
Component 4 presents the strategies for accessing the variable part in the three dimensions of equity (by increasing the proportion of qualified ECE and primary teachers in the targeted disadvantaged counties), efficiency (by improving the teacher payroll management system, including the removal of illiterate teachers) and learning outcomes (by enabling a clear view of learner achievement through a national primary student learning assessment system).

As with its predecessor, the proposed program will be implemented through a project modality with the establishment of a project delivery team (PDT) that will be responsible for the day-to-day operations including (i) coordinating with project stakeholders on implementation matters related to project activities; (ii) monitoring outcome and output indicators; (iii) preparing and submitting regular reports to the MoE, the World Bank as Grant Agent, and GPE, as needed; (iv) maintaining fiduciary oversight/control through financial management (FM), procurement of goods and services and TA in accordance with World Bank guidelines and procedures. In addition, the Project Financial Management Unit (PFMU) at the Ministry of Finance and Development Planning will continue to manage the fiduciary services, in line with arrangements for Bank financed projects in Liberia.

<table>
<thead>
<tr>
<th>Fixed Part Program Component (Fixed Part)</th>
<th>Amount (GPE Financing - US$)</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Improving the quality of and access to early childhood education in targeted disadvantaged counties</td>
<td>2.9 million</td>
<td>24.4%</td>
</tr>
<tr>
<td>1.1 ECE School Improvement Grants</td>
<td>2.66 million</td>
<td>22.4%</td>
</tr>
<tr>
<td>1.2 Community-based ECE</td>
<td>0.24 million</td>
<td>2%</td>
</tr>
<tr>
<td>2 Supporting teacher training and certification in targeted disadvantaged counties</td>
<td>1.6 million</td>
<td>13.4%</td>
</tr>
<tr>
<td>2.1 In-service ECE C certificate teacher training for unqualified ECE teachers in targeted disadvantaged counties</td>
<td>0.8 million</td>
<td>6.7%</td>
</tr>
<tr>
<td>2.2 Accelerated in-service C certificate teacher training for unqualified primary teachers in targeted disadvantaged counties</td>
<td>0.8 million</td>
<td>6.7%</td>
</tr>
</tbody>
</table>
4. FINDINGS OF SECRETARIAT’S ASSESSMENT OF THE PROGRAM DOCUMENT

4.1 Assessment of the Program Document

The proposed program was prepared by the Grant Agent under the leadership of the government and in consultation with the Local Education Group, which endorsed the application package. It went through three rounds of quality assurance review (QAR) at the Secretariat.

The application proposes a coherent program with a central focus on quality, and includes a number of inter-related components to improve it: ECE, teacher training, principal training, technical assistance to a national assessment system, school quality standards, school monitoring by District and County Education Offices (DEOs and CEOs). Its clear alignment with the ESP and consequently a high level of government ownership provide potential for reform at the system level. The proposed program targets disadvantaged counties for ECE and teacher training which will be an important contribution towards the equitable implementation of G2B-ESP and its credibility as a pro-poor plan.

The project design clearly addresses more equitable and better learning (GPE Goal 1), equity and inclusion (GPE Goal 2) as well as enhanced effective and efficient education systems (GPE Goal 3). It includes actions to address known barriers to enrolment (i.e. school fees, distance to school, and unqualified or insufficient teachers, including the lack of female teachers in disadvantaged...
communities) as well as barriers to effective system management (i.e. leadership, management and supervisory capacities of school principals and DEOs).

While program design is thus considered strong, some questions remain with regards to dealing with the complex issue of overage enrolment in the education system. Although the QAR II memo provides explanations on how the ECE strategy and related components (i.e. school grants and teacher training) in the program address this issue, it doesn’t guarantee that schools would effectively reduce the percentage of overaged children, nor would they reduce school fees. Moreover, it is also recognized that this challenge “can only be addressed gradually with efforts made by various stakeholders”. The memo, for example, explicitly refers to the government’s responsibility to enforce age-appropriate enrolment to allow six year olds to enter primary school directly. The Secretariat thus advises the GPC to include a report back obligation on the overage enrollment in general, and specifically in schools targeted by the program as well as on the evolution of the actual school fees charged in the schools supported by the project.

With regards to the program budget, unit costs are provided and generally well explained. The Secretariat notes that the supervision cost is estimated at US$ 830,000, or 7 percent of the maximum country allocation, for a 4-year program. This is slightly higher than the guidance used for supervision fees which sets a supervision fee of up to US$ 750,000 for a project above US$ 10 million in a fragile environment. However, taking into consideration the delays in the implementation of the previous project and the subsequent request from the LEG for reinforced support by the Grant Agent, this amount seems reasonable. In addition, US$ 500,000 is budgeted for the project delivery team and US$ 120,000 for service providers which puts the total administrative cost at 13.1 percent.

The results framework has been strengthened by the inclusion of annual targets for indicators to enhance monitoring throughout implementation, and complemented with an impact evaluation on school monitoring (to compensate for a project development objective indicator below outcome level). Mechanisms for monitoring and evaluation as well as identification of risks and mitigation measures have generally been found to be adequate.

However, some risks with regards to implementation arrangements and sustainability have been identified. These include questions raised on implementation readiness and its feasibility within the planned timeframe, taking into consideration not only the lessons learned from the long implementation period during the previous program, but also implementation issues encountered by other partners. The QAR II memo refers these issues to the project operational manual which still has to be developed. Implementation arrangements continue to rely heavily on specially established structures, including a Project Delivery Team (PDT) and Project Financial Management Unit (PFMU). This has as a consequence that the program scores similar to its predecessor on alignment (aid effectiveness). The program document mentions that the PDT is critical in ensuring the effective delivery of project activities (which may effectively be the case), but institutional sustainability will depend on how these structures work with government counterparts and focus on building capacity through training MoE counterparts and learning by doing. In this respect, the QAR II memo refers to some success on capacity development in the area of school grants during the previous program and the possibility to extend that to other
activities such as teacher training. Finally, the financial sustainability of project outcomes is also recognized as challenging. Mitigation measures include advocacy and negotiation.

4.2 Assessment of the Variable Part

The strategies presented for assessing the variable part can be considered relevant for the three dimensions of equity (by reducing the inequitable allocation of teachers, and potentially lead to more equitable learning outcomes), efficiency (by improving the teacher payroll management system, including the removal of “functionally illiterate teachers”) and learning outcomes (by enabling a clear view of learner achievement through regular assessment of agreed standards of progress). Strictly speaking, the GPE funding model mentions that data on learning outcomes is a requirement to access the fixed part of the funding, while the variable part strategies should address actions to improve learning outcomes, including incentivizing strategies to manage and remedy learning issues. This said, the Board has shown some flexibility before, though sometimes requiring that the use of the data to be clearly included in the strategy. This flexibility would also seem adequate in this case, taking into consideration the fragility of Liberia as well as the focus to enhance learning in the ESP. In the QAR II memo, it has further been clarified that technical assistance on the learning assessment specifically addresses how to use data in informing subsequent decisions. In addition, the indicators regarding equity and efficiency are linked to learning outcomes which could be considered as a reinforcement of the dimension.

The different strategies contain key objectives consistent with priority areas for the reform of the education sector envisaged by the ESP (alignment). The actions have transformative potential in leveraging reform in the assessment of learning achievement and overall management of the teaching workforce, in enabling more equitable distribution of qualified teachers, and more informed decision-making with respect to school quality and areas of needed curriculum reform. The proposed indicators and targets are adequate to verify their diligent implementation. For the equity strategy, the increase in the proportion of qualified ECE and primary teachers in targeted disadvantaged counties now shows a growth path of up to 5 percent per year and reaching 60 percent by 2020/21. For the efficiency strategy, payment is linked to the actual removal of functional illiterate teachers from the payroll. Both targets can be considered a stretch, as the 2010 ESP put forward a strategy to attract teachers to work in rural areas with virtually no implementation nor progress to reverse the inequitable distribution of the teachers. Similarly, progress on cleaning up the payroll has been slow, without actual removal of illiterate teachers until this point. The indicator for the learning outcome strategy is ambitious by nature in that the establishment of a national assessment system is a complex and delicate undertaking requiring adequate consultations, input and trials.

The steps of the annual verification process as well as the mechanisms leading up to the disbursement are clearly described. With regards to the actual use of the resources, a list of possible activities is included, which are all related to the strategies to access the variable part. In other words, the variable part is set up in a way to allow government to use the funding to reach the subsequent indicators. The list of activities is however indicative and allows room for innovation. In itself, it is beneficial to give the government the possibility to take full advantage of this provision, which will require the MoE to conduct good and timely planning to implement the
actions to reach those indicators. The proposal indicates the place of independent (external) verification in the process and the possibility of partial disbursement is clearly marked. However, the program document mentions that unmet targets can be rolled over to the subsequent years. This may undermine the stretch effects if certain year 1 indicators, notable on the approval of policies can still be paid out if met in year 4. Moreover, this rule cannot be applied to the indicator on the register of teachers on government payroll because the timeliness of that annual update is part of the indicator. While the QAR II memo mentions that “the amount can be rolled-over until a specified timeframe”, these limitations are not clarified in the application package.

5. CONCLUDING REMARKS

The Secretariat recommends GPC to consider that the second and third funding model requirements are met. The lack of an operational plan leads to substantial issues with regards to the credibility of the ESP, most notably on its achievability. The government has provided assurance that the operational plan will be finalized by mid-June. An update will be presented to the GPC as soon as the Secretariat receives the operational plan and completes its QA process for this requirement.

The application proposes a coherent program with some risks on the implementation timeframe and institutional and financial sustainability. In addition, some questions remain with regards to the complex issues surrounding overage enrolment in the education system.

The strategies presented for assessing the variable part have transformative potential, and the proposed indicators and targets can be considered a stretch. However, the program document mentions that unmet targets can be rolled over to the subsequent years, without clearly defining limitations which may undermine the stretch effect.

On the condition that the credibility of the ESP can be confirmed, the GPE Secretariat advises that the Grants and Performance Committee recommends the GPE Board for approval of the US$ 11.9 million grant, including the strategies and indicators for accessing the variable part,

- on the condition that the rollover of payment linked to unmet targets is limited to 1 year, and excluded for the indicator on the register of teachers on government payroll;
- with annual report back on the implementation of the ESP and its assessment by the joint sector review;
- with annual report back on the overage enrolment in general, and specifically in schools targeted by the program as well as on the evolution of the actual school fees in the school supported by the projects;
- with the recommendation that specific attention be given on fiscal and institutional sustainability during the implementation of the program.²

The Secretariat classifies the grant as high risk, especially with regards to implementation within the timeframe.

² These recommendations were adjusted by the GPC. The final recommendations are found in the Board Document BOD/2017/07 DOC 01 Annex 1