



Initial Poverty and Social Analysis

November 2019

Sri Lanka: Secondary Education Sector Improvement Program

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 26 November 2019)

Currency unit	–	Sri Lanka Rupee (SLRe/SLRs)
SLRe1.00	=	\$0.0055571
\$1.00	=	SLRs179.95

NOTE

In this report, "\$" refers to United States dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Sri Lanka	Project Title	Secondary Education Sector Improvement Program
Lending/Financing Modality:	Results-Based Lending	Department/Division:	South Asia Department/ Human and Social Development Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
<p>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy The Government of Sri Lanka's (GOSL's) Vision 2025¹ sets out an ambitious plan that promotes a knowledge-based, globally competitive economy with higher value-added industries and services, with emphasis on efficient governance and inclusion. In support of GOSL's vision, the national education policy emphasizes the aim of the education system to build a diversified and agile workforce with advanced technical and soft skills. The proposed program (SESIP) aims to support these goals by improving the quality and labor market relevance of secondary education, and expand access to science, technology, engineering, and mathematics (STEM) streams. This will improve secondary graduates readiness for the job market, and / or pathways to further development and higher level skills. SESIP is closely aligned with Asian Development Bank's (ADB) Country Partnership Strategy 2018–2022, and contributes to pillar 1 (promoting economic diversification and productivity enhancement) by upgrading human capital. It is included in ADB's 2020–2022 Country Operations Business Plan, and aligned with ADB's Strategy 2030.</p>
<p>B. Poverty Targeting <input type="checkbox"/> General intervention <input type="checkbox"/> Individual or household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input checked="" type="checkbox"/> Non-income MDGs (SDG 4 and SDG 5.b) (TI-M1, M2, etc.) The program will help expand tertiary education opportunities for poor students and girls, through increased access to STEM streams in provincial and rural areas. It will also equip the senior secondary students with foundational knowledge and skills related to critical thinking, problem solving, communication and teamwork, which are needed to adapt and succeed in the modern economy, especially those who leave secondary education for a job. It contributes to Sustainable Development Goal (SDG) 4 on education (targets 4.1, 4.3, 4.4, 4.5, 4.7, and 4.C) and SDG 5 on gender equality (target 5.5).</p>
<p>C. Poverty and Social Analysis <i>1. Key issues and potential beneficiaries.</i> Sri Lanka has a relatively low national poverty headcount ratio (4.1% in 2016). However, the national poverty line itself is set quite low (LKR4,166, or around \$28.6 per person per month of consumption expenditure).² In 2016, some 10% of Sri Lankans were living below the international poverty line of \$3.20 a day (2011 PPP) for lower middle-income countries. Progress has been markedly uneven: disparities exist between districts and provinces and between urban and rural areas. Poverty in 2016 in Northern and Eastern provinces was above 7 per cent according to the Department of Census and Statistics while lowest in Western (1.7%) and Northwestern (2.7%) provinces. Poverty headcount ratio in the rural and poorer areas is two to four times higher than in urban areas. This translates to the rural areas having over 10 times the number of poor people than do urban areas, since the rural areas have more population. Sri Lanka has a long tradition of social assistance; however, the coverage and targeting of such programs need improvement – coverage extends to slightly less than half the potential beneficiaries.³ Rural children are less likely than urban children to complete senior secondary education. The patterns of inequity in expenditure and consumption are reflected in education access and quality. Thus, Western Province, with the highest mean per capita expenditure in the country also has the highest access to senior secondary education. The school system is inequitable: less than 40 percent of students are in schools offering all education streams, which account for about 10% of total schools, mostly in urban areas. Students in provincial schools generally learn less due to inadequate numbers of quality teachers, teacher absenteeism, lower funding allocations, lack of laboratories, and limited access to advanced courses in Science, Mathematics, Commerce, and English. These provincial school students (in rural areas) are channeled to fields less favored in the labor market, such as the Arts. Learning outcomes are generally poor since the current curricula, pedagogy and assessment systems focus on memory recall, rather than on the application of knowledge and problem-solving. Low pass rates at grade 11 / O Level and grade 13 / A Level, combined with restricted entry into universities, mean that around half the students leave secondary school with no opportunity for further education or training. In summary, challenges in the education sector include an outdated curriculum and pedagogy too focused on theory and not enough practical application and limited access to STEM and commerce fields which are relevant to the labor market for enhancing productivity in manufacturing and service sectors. The consequence of these factors is that senior secondary education is a bottleneck limiting pathways to tertiary education, reduced employability of secondary graduates, and which results in a significant proportion of youth around 27%, not in employment, education and training in 2018. The above issues have an impact on the employment sector, which in Sri Lanka is characterized by high youth unemployment against a national unemployment rate of 4.4% of the labor force.⁴ The primary beneficiaries of the program will be (i) senior secondary school students, including in particular, students from provincial schools; (ii) teachers who will be equipped with better knowledge in STEM subjects and inquiry based pedagogical skills; and (iii) principals and provincial education staff who will be trained to provide educational leadership and strengthen the management of schools. <i>2. Impact channels and expected systemic changes.</i> SESIP will increase access to STEM subjects, improve quality and relevance of senior secondary curricula, pedagogy and assessments, and improve the efficiency and performance of the secondary education sub-sector. Equitable teacher deployment and improved teaching-learning resources in provincial schools will directly benefit poor and vulnerable students through improved access to better quality secondary education. Strengthening 21st century, inquiry-based STEM education with targeted support for underperforming schools, will enable rural students to gain a relevant education in school. This will help them in the long run to be competitive, access multiple pathways to learning and employment and adapt to the current and future needs of the economy. Improved human capital formation and expanded livelihood options will, in turn, help to reduce poverty in the long run.</p>

3. *Focus of (and resources allocated in) the transaction TA or due diligence.* Analyses of the challenges faced by poor, rural and disadvantaged students and the implication for the design of the RBL were key components for consulting services, included in the terms of references of policy and planning specialist, reform specialist and safeguards specialist. The issues requiring review are those factors that could impede the equity design of the project, such as the deployment of teachers and the allocation of resources to provincial schools. The program design will ensure these and other risk areas and mitigating measures are included both in the disbursement-linked indicators (DLIs) and the program action plan (PAP).

4. *Specific analysis for policy-based lending.* Not applicable.

II. GENDER AND DEVELOPMENT

1. *What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?* Sri Lanka has achieved gender parity in enrollment for primary, and junior secondary students. But, there are less boys in senior secondary education, where net enrollment for boys is 67% against 72% for girls, due to lower retention rate for boys.⁵ Enrollment, survival rate, and performance have been higher for girls throughout. However, the biggest concern is the **concentration of girls in the arts and humanities stream**, because of the effect on later employability of females, which may be one factor among others, contributing to higher female youth employment. In the technology stream in A-levels, girls accounted for only 33% in 2015.⁶ Yet, 28–30% of girls are enrolled in arts, compared to 13–14% of boys. The main gender issue for young females then, is to increase female uptake of STEM subjects, and to improve their quality of learning so they are better prepared for further educational opportunities and the world of work. Educational programs and career paths for women that emphasize engineering, ICT, scientific and technical training require support. Among the key actions that the program will employ to address the gender issues are (i) promoting the entry of girls in the science and technology streams; (ii) ensuring that the curriculum is gender sensitive, along with all instructional guides and materials; (iii) supporting female Principals, deputy Principals and provincial education officers to access leadership and management training; and (iv) incorporating gender indicators in management and monitoring systems.

2. *Does the proposed project or program have the potential to contribute to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision-making?* Yes No. Improving STMC curricula and incorporating strategies to attract girls into these subjects will provide young women with more opportunities to pursue tertiary education and career paths with better employment and salary prospects. The new curricula will be gender-sensitive and will integrate 21st century skills related to critical thinking, problem solving, communication and teamwork, which will improve the employability of girls, build their knowledge and skills and self-confidence to adapt to the needs of the labor market.

3. *Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?* Yes No

4. Indicate the intended gender mainstreaming category:

- GEN (gender equity) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. *Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.* The main beneficiaries of the program will be senior secondary students, particularly students from provinces and rural areas. The project preparation team met with students, parents, teachers, Principals and provincial education staff to seek their views and concerns and these have been incorporated in program design. While both boys and girls will benefit from improved STEM streams, the program provides a particular emphasis on attracting girls into STEM. Teachers will also benefit from training in improved pedagogy in STMC subjects. Principals, Deputy Principals and provincial and zonal education officers will benefit from educational leadership and management training. Other stakeholders of the project are staff from Ministry of Education, National Institute for Education and the Department of Education who will design and implement new curricula, pedagogies, assessments, and monitoring and evaluation systems. The stakeholders also include the School Development Committees, which prepare school development plans (SDP) and school management committees, including parents, community leaders, school management, provincial education authorities, who implement the decisions. There are no negatively affected people.

2. *How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable, and excluded groups? What issues in the project design require participation of the poor and excluded?* Parents, community members and representatives of vulnerable groups or students living in provincial and rural areas will contribute inputs to SDPs through school development committees. The program will enhance participation, confidence-building and interactive learning by children, including vulnerable children from the poorest families.

3. *What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?*

M - Information generation and sharing M - Consultation Not Applicable - Collaboration Not Applicable - Partnership
 The civil society organizations working in the education sector include Room to Read, World Vision, Save the Children, and Child Fund. However, the priorities of these organizations are in the areas of primary and junior secondary levels. Therefore, the opportunities to collaborate with SESIP are minimal. The project will engage with school development societies for conducting the community awareness campaign on the new reforms i.e. curriculum reform, assessment reform, and awareness on SMTC subjects in future.

4. *Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed?* Yes No SESIP project preparation team consulted with students and parents from provinces to obtain their feedback on the program design. The program will continue to consult and strengthen participation by students, parents and their communities through the school development committees, in the development of the communication campaign and in the implementation of school development plans.

IV. SOCIAL SAFEGUARDS

A. *Involuntary Resettlement Category* A B C FI

A social safeguard consultant will review the program scope for any potential Involuntary and indigenous people impact to confirm the categorization and document potential impact for screening out from the program in the safeguard systems assessment.

<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process? N/A <input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No. On the contrary, the program will benefit indigenous peoples with greater opportunities for quality education through the education reforms. Indigenous communities will be informed on benefits through media/communication campaigns supported by SESIP.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process? <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p align="center">V. OTHER SOCIAL ISSUES AND RISKS</p> <p>1. What other social issues and risks should be considered in the project design? N/A <input type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify N/A_____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? See section 1C.</p>
<p align="center">VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</p> <p>1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA or due diligence process to better analyze (i) poverty and social impact, (ii) gender impact, (iii) participation dimensions, (iv) social safeguards, and (v) other social risks. Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why. The terms of references of policy and planning specialist, reform specialist, and the safeguards specialist include assessing the key issues for provincial and rural students, issues related to gender and social safeguards. In addition, the mission leader prepared a gender analysis.</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social, and/or gender analysis, and participation plan during the transaction TA or due diligence? Stated above.</p>

ADB = Asian Development Bank, ICT = Information and Communication Technology, GOSL = Government of Sri Lanka, PPP = public-private partnership, SDG = Sustainable Development Goal, SESIP = Secondary Education Sector Improvement Program, STEM = science, technology, engineering, and mathematics, STMC = science, technology, mathematics and commerce, SDP = school development plan, TA = technical assistance.

¹ Government of Sri Lanka. 2017. *Vision 2025: A Country Enriched*. Colombo.

² Department of Census and Statistics. 2016. *Household Income and Expenditure Survey*; and 2016 exchange rate.

³ ADB. 2016. *The Social Protection Indicator: Assessing Results for Asia*. Manila.

⁴ Department of Census and Statistics. 2018. *The Sri Lanka Labour Force Survey Annual Bulletin*.

⁵ Dunder, H., Millot, B., Riboud, M., Shojo, M., Aturupane, H., Goyal, S., and Raju, D.. World Bank. 2017. *Sri Lanka Education Sector Assessment: Achievements, Challenges, and Policy Options. Directions in Development*. Washington, DC.

⁶ ADB. 2016. *Sector Assessment: Education. CAPE Sri Lanka (Linked Document 6)*. Manila.

Source: Asian Development Bank.