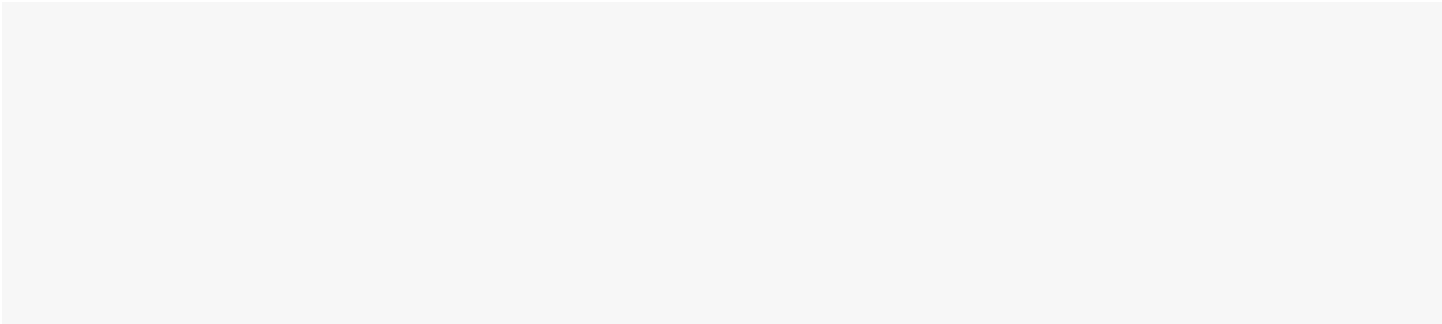




Program Information Documents (PID)

Appraisal Stage | Date Prepared/Updated: 19-Apr-2022 | Report No: PIDA257811





BASIC INFORMATION

A. Basic Program Data

Country India	Project ID P177915	Program Name GUJARAT OUTCOMES FOR ACCELERATED LEARNING (GOAL) Additional Financing	Parent Project ID (if any) P173704
Region SOUTH ASIA	Estimated Appraisal Date 27-Apr-2022	Estimated Board Date 14-Jun-2022	Practice Area (Lead) Education
Financing Instrument Program-for-Results Financing	Borrower(s) Ministry of Finance, Government of Gujarat	Implementing Agency Education Department, Government of Gujarat	

Program Development Objective(s)

The Program Development Objective of the GOAL Program is to strengthen decentralized management for improved education outcomes in the state of Gujarat

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	714.30
Total Operation Cost	714.30
Total Program Cost	714.30
Total Financing	714.30
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	250.00
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World Bank Lending	250.00
Total Government Contribution	214.30
Total Non-World Bank Group and Non-Client Government Financing	250.00
Multilateral and Bilateral Financing (Concessional)	250.00

B. Introduction and Context

Country Context

1. India's Gross Domestic Product (GDP) growth was already slowing when the COVID-19 outbreak unfolded. Real GDP growth moderated from an average of 7.4 percent during FY15/16-FY18/19 to an estimated 4.0 percent in FY19/20¹. The growth deceleration was mostly due to (i) shocks to the financial sector, and (ii) decline in private consumption growth². Against this backdrop of pre-existing weaknesses, the outbreak of COVID-19 had a significant impact, with real GDP contracting by 7.3 percent in FY20/21³. On the fiscal side, the general government deficit widened significantly in FY20/21, owing to higher spending and low revenues⁴. With the easing of Covid-19 restrictions, GST collections have crossed INR 1 trillion mark every month from July to December 2021. The robust Goods and Services Tax (GST) revenues are expected to continue as the economic recovery gathers momentum. Given the significant uncertainty pertaining to epidemiological developments, especially the recent surge in COVID-19 cases, the real GDP growth for FY21/22 is likely to be in the range of 7.5 to 12.5 percent⁵. India's GDP grew by 8.4 percent y-o-y during the July to September quarter of 2021.

2. Although India has made remarkable progress in reducing absolute poverty in recent years, the COVID-19 outbreak has delayed the course of poverty reduction⁶. Between 2012 and 2017, India's poverty rate is estimated to have declined from 22.5⁷% to values ranging from 8.1 to 11.3⁸%. However, recent projections of GDP per capita growth, taking into account the impact of the pandemic, suggest that poverty rates in 2020 have likely reverted to estimated levels in 2016⁹. Labor market indicators from high frequency surveys -including from the Centre for Monitoring Indian Economy (CMIE)- suggest that vulnerability has increased, particularly for urban households. Overall, the pandemic and its economic impacts are estimated to have raised urban poverty, creating a set of "new poor" that are relatively more likely to be engaged in the non-farm sector and to have received at least secondary education.

¹ National Accounts Data, National Statistical Office, Ministry of Statistics and Program Implementation (MOSPI).

² National Accounts Data, National Statistical Office, MOSPI.

³ National Accounts Data, National Statistical Office, MOSPI.

⁴ Union budget 2021, 2022, Ministry of Finance.

⁵ World Bank Global Economic Prospects, July 2021.

⁶ World Bank projections. The Government of India has deployed significant resources for social assistance, including towards urban poor households and migrants.

⁷ Consumption Expenditure Survey 2011-12, National Sample Survey Office (NSSO), Government of India.

⁸ World Bank estimates. Source: Poverty and Shared Prosperity Report, 2020.

⁹ World Bank estimates. Source: Macro Poverty Outlook, 2020.



Sectoral and Institutional Context

3. The school education system in Gujarat caters to the educational needs of about 11.82 million students, of whom 5.3 million are enrolled in government schools, 1.8 million in government-aided (private) schools, and 4.7 million in private unaided schools. Government and government-aided schools account for more than 60 percent of school enrolment and teachers. The state's initiatives like *Shala Praveshotsav* (enrolment drive) and *Kanya Kelavani Mahotsav* (for girls' education) have resulted in a 24 % increase in the Net Enrolment Rate from 2003 to 2019. Similarly, there has been a significant reduction in the dropout rates across Grades 1 to 8 from 18.79% in 2004-05 to 3.39% in 2019-20.

4. Despite this progress, challenges remain. In 2019, the state identified about 2.1 million students below Grade 3 proficiency for reading, writing, and mathematics, reflecting *low learning outcomes*. Gujarat also performed below the national average for Grade 10 in the National Achievement Survey (NAS) 2017. Further, there is a *massive need to strengthen school infrastructure*¹⁰ for quality outcomes. *Inter-district variations* also exist with the Pupil Teacher Ratio (PTR) in government secondary schools ranging from the highest in Panchmahal at 53 to the lowest in Tapi at 21, and the lowest and highest performing districts recording a 15-20 percentage point difference in NAS scores. Gender disparities are also evident at the secondary levels¹¹.

5. The COVID-19 crisis, which led to physical school closures for more than 1.5 academic years between March 2020-November 2021 across the state, and climate change threaten to exacerbate these challenges. The state has identified learning losses of around 10 percent accruing from the pandemic, which need to be urgently addressed. Gujarat's geo-physical setting makes it *highly prone to natural disasters*, such as floods, cyclones, storm surge, earthquakes, droughts, and heat waves during summer months. Therefore, any investments in education should account for climate related incidences to ensure mitigation of their impacts.

PforR Program Scope

6. To address these challenges and improve the quality of education, the Government of Gujarat (GoG) has launched a Mission Schools of Excellence Program (MSEP) which focuses on (a) school transformation, and (b) systems transformation through improvements in teaching-learning practices and data-driven monitoring and evaluation (M&E). The MSEP focuses on building state-of-the-art classrooms including smart classrooms, strengthening school leadership and management, as well as ensuring adequate availability of high-quality, and specialized subject teachers. MSEP has a dedicated focus on foundational learning, improving pedagogical practices, and enabling robust learning enhancement/remedial programs. Through this program, Gujarat aims to transform a total of 20,000 schools across the state, over the next five years.

7. Aligned with the Government's program, the US\$500 million World Bank funded parent Program, the Gujarat Outcomes for Accelerated Learning (GOAL), aims to strengthen decentralized management for improved education outcomes in the state of Gujarat. Through a Program for Results (PforR) instrument, focused on operationalizing key tenets of India's new National Education Policy (NEP) 2020, GOAL disburses through seven disbursement linked indicators (DLIs), which are mapped to its five

¹⁰ Performance Grading Index (PGI): Government of India

¹¹ Due to school closures, increased household work etc.



key results areas:

- a. ***Institutionalizing decentralized stakeholder owned planning systems*** for strengthening district and sub-district level planning, through concurrent, participatory, and bottoms-up approaches with a view to address intra-district diversities in access to quality education, and through capacity building support for education functionaries across Gujarat's 33 districts. This will include a targeted focus on gender and inclusion; enhancing school level Annual Work Plan and Budgets (AWPBs) through community participation; and instituting performance grants for schools to incentivize outcomes.
- b. ***Improving foundational learning outcomes at the lower primary level:*** by enhancing access to and quality of early childhood education (ECE) and early grade learning, and by strengthening preschool to primary grade transition. GOAL will support the roll out of a pre-school education model in at least 2,000 schools.
- c. ***Strengthening teacher development and school based assessments for classroom performance:*** with a focus on needs-based continuous professional development, and teacher performance management to boost classroom performance; developing and rolling out quality remedial programs based on classroom assessments; and strengthening teacher education institutions including the construction and operationalization of five District Institutes of Education and Training (DIETs) in unserved districts of the state and establishing an assessment center for managing classroom, state and international student assessments including the Program for International Student Assessment (PISA).
- d. ***Improving learning environments in schools:*** through support for the strategic development and rehabilitation of the school network in the state with the aim of improving learning quality and addressing the state's pressing infrastructure needs through performance-based selection of schools for learning environment and technology infrastructure improvement, developing an inclusive state strategy for school learning environment development, and strengthening infrastructure and upgrading facilities for creating child friendly learning environments in at least 6,000 schools including at least 150 residential schools (*Kasturba Gandhi Balika Vidyalayas*) for girls.
- e. ***Facilitating resilient recovery from COVID-19:*** GOAL supports the development and implementation of a large holistic home learning program, as part of the state's COVID-19 response strategies; and also focuses on preparing Gujarat to meet similar or unforeseen events in the future that would need greater systemic resilience - through technology support at local levels for students, home and blended learning programs, remedial programs to address pandemic-related learning losses; and the provision of a long-term strategy to ensure the system is built back better with rapid academic response mechanisms.

8. Since its effectiveness on July 1, 2021, the GOAL Program has made commendable implementation progress. Progress towards achievement of the Program Development Objective (PDO) and overall implementation progress are both Satisfactory. The GoG has completed key initial actions and delivered on several DLI achievements. An Independent Verification Agency (IVA) has been on boarded, and a Program Management Unit (PMU) has become operational to support Program implementation. The state has a strong technology enabled institutional architecture, called the Command-and-Control Center (CCC), with systems in place for real-time decentralized monitoring of Program activities and learning outcomes, which has enabled the state to institute an evidence-based, comprehensive COVID-19 response strategy. To strengthen competency-based learning benchmarked to international standards, the state is also planning to participate in the Organization for Economic Cooperation and Development (OECD)'s PISA 2028. Disbursement Linked Results (DLRs) worth US\$24 million have been authorized for



disbursement, as on April 12, 2022. The state is on track to achieve an estimated cumulative disbursement of US\$72.625 million in FY 21-22, in line with the Program results framework. All legal covenants and Program Action Plan (PAP) items have been complied with or are not yet due and on track to be met by the agreed timelines; and there are no significant implementation bottlenecks. The closing date for the GOAL Program is September 30, 2027.

9. The proposed additional loan/financing would help fund expenditures associated with enabling the state of Gujarat to ensure wider and more optimal coverage of schools under the Government's MSEP for learning recovery and quality enhancement. The World Bank received a letter from the Ministry of Finance, Government of India dated October 5, 2021, requesting for additional financing (AF) of US\$250 million. The Program's Results Framework has been revised to reflect the enhanced ambition of the Program, which will be supported through the AF. Importantly, an additional 3,000 schools will be covered with learning environment improvements.

10. The GOAL Program also receives AIIB co-financing of US\$ 250 million across all DLIs, reflecting a total external financing of US\$1 billion as follows: (a) US\$500 million through the IBRD-financed GOAL parent Program; (b) US\$250 million co-financing from AIIB; and (c) US\$250 million from IBRD through the proposed GOAL Additional Financing

11. The proposed AF will further enhance the scope and scale of the parent Program to cover an additional 3,000 schools – ensuring a total coverage of 12,000 schools through the consolidated US\$1 billion external financing – in line with the Government's overall school education program. This would enable the state to undertake the reform fully for operationalizing the MSEP, in line with the NEP 2020, as well as to meet COVID-19 fallout. The AF would help in the state to ensure learning continuity and recovery from COVID-19, enable climate resilient response for all students, and accelerate efforts under GOAL for quality education in all schools. The state has high institutional readiness with robust implementation capabilities to facilitate effective implementation.

C. Program Development Objective(s)

12. The Program Development Objective of the GOAL Program is to strengthen decentralized management for improved education outcomes in the state of Gujarat. The PDO remains unchanged. The state's priorities remain fully aligned with this objective.

D. Environmental and Social Effects

13. All environment and social safeguard arrangements agreed for the original GOAL Program, based on the Environment and Social Systems Assessment (ESSA), will apply to the additional financing by IBRD and co-financing by AIIB. The Program is making good progress in applying agreed safeguard measures and Program Action Plan (PAP) including those associated with strengthening infrastructure and upgrading facilities for creating safe, resilient, and child-friendly learning environments. This includes preparation of Inclusive strategy for the over-all program and application of Green Building/School concepts towards improving teaching and learning environment within a campus.

E. Financing

14. Within the existing GOAL Program boundaries, the proposed AF reflects a scale up to help the state ensure that a greater number of schools, especially in disadvantaged areas, and their students are



covered for learning recovery and quality education enhancements. In line with the parent GOAL Program boundaries, the AF will focus on: stakeholder owned planning and management systems; improved foundational learning and assessments; strengthened teacher development; enhancement of child friendly learning environments, scaling up and mainstreaming climate change adaptation and disaster risk reduction in the education sector, and resilient recovery from COVID-19.

15. The **Program expenditure framework**: has been revised upwards to reflect the increase in Program financing. The AF, in line with the original/parent GOAL Program, will support government program activities corresponding to specific sub-programs and activities under the overall *Samagra Shiksha* centrally sponsored scheme as well as that of the GoG’s prioritized educational reform under MSEP. The overall Program expenditure (US\$ 1.43 billion) is financed by three sources of funding, as presented in Table 1 below.

Table 1: Program Financing (in US\$ million)

Financing Source	Original/parent Program	Restructured parent Program (reflecting AIIB co-financing)	Additional Financing (AF)	Total Revised Program (Restructured parent Program with AF)
BORROWER/RECIPIENT	214.3	321.4	107.1	428.6
IBRD	500	500	250	750
OTHER (CO-FINANCING FROM AIIB)	-	250	-	250
TOTAL	714.3	1071.4	357.1	1428.6

16. **Results Framework and DLIs**: have been revised to reflect the enhanced scale and ambition of the Program through the AF. The following changes in activities and outcomes will be supported:

- a. **Results Area 1: institutionalizing decentralized stakeholder owned planning systems** In addition to the parent Program’s targets, 3 more districts will be supported with enhanced Annual Work Plan and Budgeting processes (taking the total number of districts supported to 18). An additional 20% of School Management Committees (SMCs) will also be supported for the development of evidence-based School Development Plans, increasing the net coverage of SMCs under the GOAL Program from 50% to 70%.
- b. **Results Area 2: Improving foundational learning outcomes at the lower primary level** An additional 10% of teachers from schools with co-located *Aanganwadis* will be trained to provide academic support in ECE in at least 10 districts, enhancing the number of teachers provided with capacity building support from 70% to 80% in select districts.
- c. **Results Area 4: Improving learning environments in schools** – The AF will support learning environment and technology infrastructure improvement for creating child friendly learning environments in 3,000 additional schools. Further, the AF will also enable 250 additional schools with meeting minimum performance criteria, as per agreed standards, and 25 additional Lighthouse schools, for improved school quality through performance evaluation and incentives.
- d. **Results Area 5: Facilitating resilient recovery from COVID-19** – To support the development of Gujarat as a Lighthouse state, and facilitate cross-learning on pandemic response strategies, two-way learning channels will be established with at least 10 other states in India.



17. The institutional and implementation arrangements, results monitoring and evaluation, and disbursement arrangements of the parent GOAL Program will remain unchanged.

CONTACT POINT

World Bank

Name :	Shabnam Sinha		
Designation :	Lead Education Specialist	Role :	Team Leader(ADM Responsible)
Telephone No :	5785+79445	Email :	ssinha5@worldbank.org
Name :	Shiro Nakata		
Designation :	Senior Education Economist	Role :	Team Leader
Telephone No :	5778+8344 /	Email :	snakata@worldbank.org

Borrower/Client/Recipient

Borrower :	Ministry of Finance		
Contact :	Hanish Chhabra	Title :	Director
Telephone No :	91-11-23095069	Email :	hanish.ias@ias.nic.in
Borrower :	Government of Gujarat		
Contact :		Title :	
Telephone No :		Email :	

Implementing Agencies

Implementing Agency :	Education Department, Government of Gujarat		
Contact :	Vinod Rao	Title :	Secretary Education (Primary and Secondary)
Telephone No :	+91-79 23251301	Email :	secedu-pri@gujarat.gov.in



FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>
