PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE

Report No.: PIDA12315

Project Name	GPE Guinea (P148127)
Region	AFRICA
Country	Guinea
Sector(s)	Adult literacy/non-formal education (10%), Primary education (50%), Secondary education (20%), General education sector (20%)
Theme(s)	Decentralization (10%), Public expenditure, financial management and procurement (10%), Managing for development results (10%), Educ ation for all (70%)
Lending Instrument	Investment Project Financing
Project ID	P148127
Borrower(s)	Republic of Guinea
Implementing Agency	Ministry of Education
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	09-Apr-2015
Date PID Approved/Disclosed	09-Apr-2015
Estimated Date of Appraisal Completion	27-Mar-2015
Estimated Date of First Grant Approval	04-May-2015
Appraisal Review Decision (from Decision Note)	The meeting cleared the team in going ahead with the submission of the GPE grant request conditional on incorporation of the main recommendations and clarifications. Appraisal completion will be cleared after approval of the grant by the GPE board, incorporation of the main recommendations from the GPE (if applicable) and upon disclosure of the safeguards documents.
Other Decision	Given the EVD epidemic and in pursuance of paragraph 12 of OP 10.00, completion of the safeguards requirements was however cleared to be deferred to implementation.

I. Project Context

Country Context

The Republic of Guinea is endowed with exceptional natural resources, including an abundance of fertile land, significant stocks of freshwater and saltwater fish, and large deposits of minerals, especially bauxite, iron, gold, and diamonds. The country’s economy is dominated by production in the primary sector, with economic activity concentrated in the agriculture and mining sectors. The share of manufacturing activity as a proportion of Gross Domestic Product (GDP) is seven percent,

compared to an average of 11 percent in Sub-Saharan Africa (SSA), while services contribute approximately 33 percent. The mining sector contributes 44 percent of GDP, well above the average for countries in the region (30 percent). Monies flowing from concessions granted to foreign companies to manage mines contribute to a large share of government revenues.
Despite the presence of an exceptional natural endowment, Guinea's economic performance in the last decades has been below expectation, and the country has performed more poorly than many of its neighbors. Following an economic contraction of 0.3 percent in 2009 (largely as a result of the 2008 presidential coup d'état), real GDP growth recovered to 3.9 percent in 2011, 3.9 percent in 2012, and was estimated at 2.6 percent in 2013. Despite these positive trends, Guinea's rate of economic growth continues to compare unfavorably with the SSA average.
Relatively poor economic performance is, in part, a consequence of long periods of political instability and weak governance. Following a period of military rule, the country held its first-ever democratic elections, and a popularly elected president took office in early 2011. The political transition was completed through legislative elections held in September 2013, the results of which were confirmed by the Supreme Court. Despite some improvement in recent years, governance indictors remain low, with Guinea ranked 42 of 53 African countries in the Ibrahim Index of African Governance in 2012, and 150 of 178 countries in Transparency International's Corruption Perception Index in 2013.

Persistently poor economic performance has negatively impacted poverty reduction and human development. Guinea remains one of the ten poorest countries in the world, and is ranked among the lowest performing countries in the UNDP Human Development Index (179 of 187 countries surveyed in 2013). With annual per capita GDP of US$492 in 2012, it is estimated that 55 percent of its population live on less than US$1.25 per day. Poverty rate has increased in the past decade, rising from 49 percent in 2002 to 53 percent in 2007. While poverty continues to be most pronounced in rural areas (65 percent of the rural population is poor compared to 32 percent of the urban population), high levels of inflation (about 15 percent in 2012), rural-urban migration, and employment have collectively contributed to a significant recent increase in urban poverty.

In an effort to address these challenges, Guinea has embarked on a program for long-term development, including a number of interventions aimed at improving governance. In response to critical deficiencies in budget preparation and execution, as well as weak internal and external controls, Guinea launched a comprehensive strategy for public financial management (PFM) reform in 2008. Interventions in this area retained a strong focus on improving program budgeting, promoting more effective use of resources from international donors, the implementation of risk-based management practices, and the implementation of Medium Term Expenditures Frameworks (MTEFs) in priority sectors, including education. Implementation of PFM reforms is expected to continue until 2017, but much work remains to be done to more effectively link resource management to policy goals.

Although Guinea has been facing a deadly Ebola virus disease (EVD) outbreak since mid-February 2014, the situation significantly worsened since August 2014 seriously impacting Guinea and the sub-region. With 2,263 deaths and 3,429 cases (as of March 2015), the EVD crisis has exacerbated existing conditions of fragility and threatens to reverse the gains achieved since the end of the most recent political crises. The isolation of the country as a consequence of EVD resulted in a loss of revenue and is likely to continue to negatively impact the economy in the upcoming months. These conditions may contribute to an increase in commodity prices, with a contingent accelerating effect on inflation. GDP growth estimates for 2014 have been revised sharply downward from a pre-crisis level of 4.5 percent to 2.4 percent in October and to only 0.5 percent most recently. The negative social and economic implications of the EVD epidemic will have long-lasting effects unless adequate steps are implemented to address the crisis and ensure stability.

The Government with the support of key technical and financial development partners, including the World Bank, is providing support for the immediate response and recovery of the education sector in the Ebola context. However, urgent and continued support to the sector is needed as the country's existing financial and logistical capacities are insufficient to meet the supplemental demands imposed by the epidemics. Therefore, clearance was obtained to process the operation under paragraph 12 of OP 10.00 - Situations of Urgent Need of Assistance or Capacity Constraints, Fragile States and Natural and Manmade Disasters. In accordance with Paragraph 12 (a) of OP 10.00, the deadline for disclosure of social and environmental safeguards instruments is deferred to 6 months after the project Effectiveness date.

Sectoral and institutional Context

Despite some progress in expanding access to education, the sector continues to face many challenges related to coverage, efficiency, quality, relevance, and equity.

Enrollment and Coverage. Enrollment in preschool remains low, but increased substantially from 6.9 percent in 2008 to 10.7 percent in 2012. Access to Grade 1 increased from 75.8 percent in 2007-08 to 82.1 percent in 2011-12, while gross and net enrollment rates (GER and NER) for primary education grew more modestly, from 78.6 to 82.0 percent and 64.0 to 66.3 percent, respectively. In the lower and upper secondary subsectors, enrollment grew at an average annual rate of seven percent and ten percent respectively. Enrollment in TVET increased from 18,712 to 36,283 between 2008 and 2012. Enrollment at tertiary levels has increased tenfold in 10 years, but the GER in tertiary education stands at 4 percent, far below the global average of 25 percent and below the needs of the labor market. Despite these important advances, enrollment rates at the basic level continue to fall considerably short of the Millennium Development Goal (MDG) for universal access to primary education, and data continues to demonstrate large numbers of out-of-school children. The latest Rapid Poverty Assessment Survey estimated that 30 percent of children of school going age had never attended school, a figure that rises to 60 percent in rural and hard-to-reach areas.

Efficiency and learning. While the overall retention of students in primary schools has improved in recent years, a completion rate of 58.5 percent (2012) remains too low to achieve universal primary completion and, in 2012, the overall repetition rate for primary education was approximately 14 percent, with significant variance across the education cycle. Poor educational outcomes are also an important area of concern. An Early Grade Reading Assessment administered to a representative sample of Grade 2 and 3 students in 2013 demonstrated very poor performance, with 90 percent of the Grade 2 students scoring less than 25 out of 100. Further evidence of low learning achievement is supported by scores for tests administered by the National Coordination Service for Evaluation of the Education System testing proficiency in French and Math: In 2012, only 9.6 percent of Grade 4 students scored above 60 out of 100 (cumulative scores), and average test scores for students in Grades 2 and 3 were 28 and 21 percent in French and Math, respectively. These alarming indicators are corroborated by reports from school inspectors which indicate an over-reliance on teaching methodologies premised on rote memorization, over classroom activities that promote recognition, decoding and understanding.

Equity. Guinea has made important progress in improving access to education for girls; however, indicators continue to demonstrate significant inequity, with more pronounced gender gaps as one moves through the system. Data demonstrate a gender parity index in primary GER of 0.84, and a gross primary completion rate for female students of 51 percent, 15.6 percentage points below that of male students. In higher education, the ratio of female to male enrollment is 0.33. Challenges to improving female enrollment and retention are present in both the supply of and demand for education. Data, moreover, demonstrate significant gaps in education outcomes between urban and rural areas, and between rich and poor households. The GER in for primary education in rural areas is 18 percentage points lower than the national average, and the rural gross completion rate is just 39 percent against a national average of 58.5 percent. The specific challenge of increasing female participation in rural areas is underlined by a primary completion rate of 30 percent for rural girls, almost half of the national average. Spatial variance in repetition rates is also significant, with poorer outcomes associated with rural schools and students, with disparities widening as students pass through the education system.

School-level inputs. Over the course of the political transition, the government experienced a de facto resource freeze, which led to a critical shortage of teachers and learning materials, with contingent negative effects for teaching and learning. The national pupil-to-teacher ratio (PTR) is 46:1, with significant regional variation (for example, 51:1 in Boke versus 39:1 in Kindia) but variance in PTRs across urban and rural areas is slight, with an urban PTR of 45:1 and a rural ratio of 46:1. The Guinean education system suffers from a considerable shortage of teaching and learning materials. This is particularly acute in the provision of textbooks, with an average textbook-to-student ratio of 4:1 in 2013. Poor spatial coverage and the low quality of infrastructure are major impediments to increasing access to education in Guinea. School buildings are generally old (on average 26 years old) and schools suffer from a shortage of basic facilities, such as latrines and wells, especially in rural areas. Despite evidence of significant need, the planning and management of school construction remains suboptimal.

Financing and fiscal management. Public funding of the education sector has been generally low, declining in real terms, and unstable over time. In 2013, 3.2 percent of GDP was dedicated towards funding education (compared to a global average of 4.7 percent) and education expenditures represented 12.1 percent of the national budget (compared to an average of 17 percent for SSA and low income countries). Distribution of resources between the different sub-sectors is insufficiently aligned for the achievement of the MDG for universal access to primary education. The share of the education budget assigned to basic education (primary, lower secondary, early childhood education, and literacy) is relatively low at 54.7 percent, while higher education receives 32.5 percent.

In light of these deficiencies, at the Global Partnership for Education (GPE) replenishment conference held in June 2014, the government pledged to: (i) increase public funding for education to 19.2 percent of the national budget by 2017, corresponding to 4.6 percent of GDP; (ii) increase the primary education allocation to 46.3 percent of the education budget by 2017; (iii) accelerate Public Financial Management (PFM) reforms as applicable to the education sector, in alignment with wider interventions to improve PFM, deepen decentralization, and introduce MTEFs; (iv) implement rigorous internal and external financial audits; and (v) publish budget information to improve efficiency, promote transparency, and ensure accountability in the management of grants and allocations to decentralized structures.

The Education Sector Plan. Implementation of the first Education Sector Plan (ESP1) commenced in 2008 but was immediately delayed following the suspension of funding from external financing agencies due to the coup d'état. Due to these challenges, the ESP1 was restructured and its closing date extended to December 31, 2014. With the closing of the ESP1 approaching, the government prepared a second Education Sector Plan (ESP2) which was endorsed by the technical and financial partners on September 3 and submitted to the GPE on September 5 2014. Financial assistance to fund the implementation of the ESP2 is being sought from donors and partners, including: the GPE, the World Bank, the French Development Agency (Agence Francaise de Développement, AFD) and the United Nations Children's Fund (UNICEF). Effective long-term planning will require new demographic and sectorial analyses informed by the Population and Housing Census launched in February 2014. As a consequence, the ESP2 has been framed as an interim plan covering the period 2015-2017. The ESP2 will, inter alia, inform the design of the Ten-Year Education Sector Development Plan (Plan de développement décennal de l'éducation et de l'alphabétisation, PDDEA) for 2018-2027.

Ebola Virus Disease. The education sector has been severely affected by the EVD epidemic and will need to adapt to operate within an acutely fragile macroeconomic environment. Authorities delayed the commencement of the school year until January 2015. As a result, approximately two million children missed approximately four months of school, and more than 10,000 primary and secondary private school teachers did not receive their salaries. The delay in the commencement of the school year potentially has already eroded some of the human capital gains of the past few years. Despite a continuing struggle to eradicate EVD, Guinea has officially opened schools on January 19 after ensuring the roll-out of protocols of safe and efficient reopening of schools and mechanisms to support the sustainable return of students and teachers. From now onward, the legacy of the Ebola crisis is likely to impose further new challenges on the education system as hundreds of children have been orphaned and many teachers lost their lives. Furthermore, the importance of a healthy and clean school environment for the prevention of communicable disease (such as Ebola) prevention has been highlighted. The government's short-term strategic response for EVD recovery in the education sector builds heavily on the ESP2 while shifting the focus across activities and adding some new ones more relevant to the recovery period.

It is estimated that effective implementation of the ESP2 and EVD strategic response will cost US $937 million and US$83 million, inclusive of government resources of US$722 million. The estimated financing gap stands at US$298 million (US$214 million for ESP2 outside of EVD response needs), 17 percent of which will be financed through this Pooled-Funds utilizing allocations of US$37.8 million from the GPE, €11 million (US$12 million) from AFD, US$1 million from UNICEF, and US$1 million from Ebola Recovery and Reconstruction Trust Fund (ERRTF). After accounting for funding allocated for the implementation of this project and other external resources, including the International Development Association (IDA), Plan Guinée, Koweït (Arabic Development), the Saudi Fund for Development, the Islamic Bank for Development (IBD), and the African Bank for Development (AfDB), the outstanding financing gap for implementation of the ESP2 and EVD strategic response is estimated at US$107 million.

II. Proposed Development Objectives

The Project Development Objectives are to (i) improve access and learning in basic education and literacy of under-served populations, (ii) strengthen the Ministry of Pre-University and Literacy's capacity in evidence-based management, and (iii) support the implementation of the education sector's Ebola short-term strategic response plan.

III. Project Description

Component Name

Component 1: Access and Equity in Education

Comments (optional)

Component 1 has been designed in alignment with the first strategic priority of the ESP2 and the safe and hygienic school environment objectives of the EVD strategic response plan. Envisaged activities aim to improve coverage and equity in access to basic education for in- and out-of-school children and to improve the minimum hygienic conditions in primary schools. The component has incorporated a strong emphasis on equity through a specific focus on marginalized populations (primarily female and rural children, and out-of-school children) and the implementation of a large-scale literacy campaign (with a special focus on targeting women). To mitigate the current, and any future, EVD epidemic through the school system, and to promote a healthier teaching and learning environment, this compo

Component Name

Component 2: Quality of Teaching and Learning Conditions

Comments (optional)

Component 2, in alignment with the second strategic priority of the ESP2, aims to improve the quality of teaching and learning environments in the primary and lower secondary subsectors, with contingent effects for the improvement of learning outcomes throughout the basic education cycle. Implementation of component 2 is expected to contribute to improved retention, a smoothing of the transition from primary to lower secondary education, and the improvement of completion rates.

Component Name

Component 3: Strengthened Management and Governance in Education

Comments (optional)

In alignment with the fourth strategic priority of the ESP2, and in accordance with the findings of the recent education sector Public Expenditure Review (PER), component 3 will support interventions to enhance the overall governance and management of the education sector through activities focused on building the capacity of M&E systems to enable evidence-based policy design, strategy and planning, and the piloting of programs to improve human resource (HR) management. Component 3 will also support institutional capacity building for the effective management of the pooled-fund, coordination of the ESP2, and the strengthening of the MEPU-A's fiduciary and technical capacity.

IV. Financing *(in USD Million)*

Total Project Cost:	51.80	Total Bank Financing:	0.00
Financing Gap:	0.00		

For Loans/Credits/Others	Amount
Borrower	0.00
Education for All Supervising Entity	37.80
Ebola Recovery and Reconstruction MPF	1.00
FRANCE Govt. of [MOFA and AFD (C2D)]	12.00
UN Children's Fund	1.00
Total	51.80

V. Implementation

The project is expected to start in May 2015 and be implemented over a three year period, with an expected closing date of July 1, 2018. The implementing agency will be the MEPU-A.

In line with recommendations for PFM highlighted in the ESP2, the government has requested that the implementation arrangements for this project responds to the following objectives: (i) to build upon capacity developed through the implementation of the EFA-FTI and EFA-IDA projects which provided support to the ESP1, with the intention of transferring full management and coordination responsibilities from the Project Coordination Unit (PCU) to the MEPU-A for subsequent phases of the ESP; (ii) to support the continued development and implementation of program budgeting and METF; and (iii) to strengthen the capacity of the MEPU-A for administrative oversight of the project and effective sector coordination.

Sector-level Coordination of the ESP2. Three governing bodies will be responsible for the coordination of the ESP2: (i) The Interdepartmental Steering and Coordination Committee which will be responsible for ensuring overall implementation of the ESP2 and consultation with key stakeholders; (ii) The National Strategic Education Committee which will be responsible for approving and ensuring compliance of the annual budgeted plans with the ESP2's objectives and of the proposed activities with the selected strategies, regularly assessing the effectiveness of strategies and activities, and suggesting adjustment where necessary; and (iii) The Sector-Level Coordination of the ESP2 will coordinate preparation of annual plans as well as technical and financial reports.

Project management of the FoCEB. The design of this project's implementation arrangements has incorporated a strong emphasis on progressively empowering and strengthening the capacity of the DAF and technical departments within MEPU-A. Overall responsibility for the management of the project will be vested in a PCU under the authority of the Permanent Secretary (Secrétaire Général, SG) of the MEPU-A. The PCU will be led by a coordinator with the support of one assistant coordinator, an M&E specialist, and an administrative secretariat, all of whom will be civil servants. Responsibility for procurement and financial management (FM) in support of the project will be vested with the MEPU-A. However, in light of limited capacity, the project will hire two experts (local consultants), working under the authority of the PCU coordinator, for these functions. Each expert will be partnered to one or two counterparts within the DAF (most likely the section chiefs for finance, procurement and/or equipment), with the intention of strengthening their knowledge and capacity (in line with specific competencies transfer plans) for the management of projects. An environmental and social safeguards expert will be hired part-time and report to the coordinator. Transfer plans will be prepared in the first six months of project implementation to formalize the functional relationships between experts and their government counterparts, to ensure the following targeted outcomes. With regards to technical responsibilities, a focal point will be appointed for each component to ensure the effective coordination of technical activities and technical departments within MEPU-A will be responsible for the implementation of activities in line with their functional missions.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	**Yes**	**No**
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04		x
Forests OP/BP 4.36		x

Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11		x
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12	x	
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

VII. Contact point

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