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INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GLOBAL PARTNERSHIP FOR EDUCATION FUND AND MDTF GRANT

IN THE AMOUNT OF US\$17.9 MILLION AND US\$5.5 MILLION

TO THE

REPUBLIC OF SIERRA LEONE

FOR A

REVITALIZING EDUCATION DEVELOPMENT IN SIERRA LEONE (REDiSL) PROJECT

July 30, 2014

Education Global Practice
Africa Region



CURRENCY EQUIVALENTS

(Exchange Rate Effective July 14, 2014)

Currency Unit = US\$1
SLL4340.00 = US\$1
US\$ = SDR 1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AGD	Accountant-General's Department
BECE	Basic Education Certificate Examination
CBO	Community-based organization
CSR	Country Status Report
CU	Change Unit
DEO	District Education Office
DFID	Department for International Development
EFA-FTI	Education for All Fast Track Initiative
ESP	Education Sector Plan
ECCE	Early childhood care and education
ECD	Early Childhood Development
EGRA	Early grade reading assessment
EMIS	Education Management Information System
ESMF	Environmental safeguards management framework
GDP	Gross domestic product
GER	Gross enrollment rate
GIR	Gross intake rate
GoSL	Government of Sierra Leone
GPE	Global Partnership for Education
GPI	Gender Parity Index
ICB	International Competitive Bidding
IFMIS	Integrated Financial Management Information System
JSS	Junior Secondary School
LC	Local Council

LGFD	Local Government Finance Department
MDG	Millennium Development Goal
MDTF	Multi-Donor Trust Fund
M&E	Monitoring and Evaluation
MEST	Ministry of Education, Science and Technology
MoFED	Ministry of Finance and Economic Development
NCB	National Competitive Bidding
NER	Net enrollment rate
NFE	Non-formal education
PBF	Performance-based Financing
PCR	Primary completion rate
PO	Procurement Officer
PQTR	Pupil Qualified Teacher Ratio
PTR	Pupil Teacher Ratio
PTTR	Pupil Trained Teacher Ratio
REDiSL	Revitalizing Education Development in Sierra Leone
SBD	Standard Bidding Document
SLBC	Sierra Leone Broadcasting Corporation
SLIHS	Sierra Leone Integrated Household Survey
SMC	School Management Committee
SSS	Senior Secondary School
TLM	Teaching and Learning Material
TSC	Teaching Service Commission
TVET	Technical and Vocational Education and Training
WAEC	West African Examination Council
WASSCE	West African Senior School Certificate Examination

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Country Director:	Yusupha B. Crookes
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REPUBLIC OF SIERRA LEONE

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PAD DATA SHEET

Sierra Leone

REVITALIZING EDUCATION DEVELOPMENT IN SIERRA LEONE (P133070)

PROJECT APPRAISAL DOCUMENT

AFRICA

EDUCATION GLOBAL PRACTICE

Report No.: PAD673

Basic Information			
Project ID P133070	EA Category B - Partial Assessment	Team Leader Kalioppe Azzi-Huck	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 01-Aug-2014	Project Implementation End Date 28-Feb-2017		
Expected Effectiveness Date 01-Sep-2014	Expected Closing Date 28-Feb-2017		
Joint IFC No			
Practice Manager/Manager Peter Nicolas Materu	Senior Global Practice Director Claudia Maria Costin	Country Director Yusupha B. Crookes	Regional Vice President Makhtar Diop
Approval Authority			
Approval Authority RVP Decision GPE Funded operations are reviewed and approved by the GPE Board and subsequently by the Region's Vice President. They do not require Bank Board review. Same applies to the Sierra Leone MDTF whose activities have been previously approved by the Region's Vice President.			
Borrower: ACCOUNTANT GENERAL'S DEPARTMENT			

Responsible Agency: Ministry of Education, Science, and Technology (MEST)			
Contact:		Title:	
Telephone No.: (232-76) 618-398		Email: manikoroma@hotmail.com	
Project Financing Data(in USD Million)			
<input type="checkbox"/> Loan	<input type="checkbox"/> IDA Grant	<input type="checkbox"/> Guarantee	
<input type="checkbox"/> Credit	<input checked="" type="checkbox"/> Grant	<input type="checkbox"/> Other	
Total Project Cost:	23.40	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source		Amount	
Borrower		0.00	
Education for All - Fast Track Initiative		17.90	
Revitalizing Education Delivery in Sierra Leone (REDiSL)		5.50	
Total		23.40	
Expected Disbursements (in USD Million)			
Fiscal Year	2015	2016	2017
Annual	9.50	8.90	5.00
Cumulative	9.50	18.40	23.40
Proposed Development Objective(s)			
<p>The Education Sector Plan (ESP) has identified three strategic objectives under which the Ministry of Education, Science, and Technology (MEST) will move forward with interventions: (i) access, equity and completion; (ii) quality and learning outcomes; and (iii) systems strengthening.</p> <p>The Project Development Objective is to improve the learning environment in targeted schools and establish systems for monitoring of education interventions and outcomes. To do this, the Project will finance elements of the ESP that deliver intermediate results while simultaneously addressing critical issues in the system to build the foundation for better management and efficiency within the sector.</p>			
Components			
Component Name		Cost (USD Millions)	
Improving the Learning Environment and Opportunities in Targeted Areas		16.00	
Strengthening Education Service Delivery		5.00	
Project Management and Supervision		0.95	

Unallocated	1.45
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Institutional Data

Practice Area / Cross Cutting Solution Area
--

Education

Cross Cutting Areas

- | |
|---|
| <input type="checkbox"/> Climate Change |
| <input type="checkbox"/> Fragile, Conflict & Violence |
| <input type="checkbox"/> Gender |
| <input type="checkbox"/> Jobs |
| <input type="checkbox"/> Public Private Partnership |

Sectors / Climate Change

Sector (Maximum 5 and total % must equal 100)

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Education	Primary education	40		
Education	General education sector	30		
Education	Secondary education	20		
Education	Pre-primary education	10		
Total		100		

<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.

Themes

Theme (Maximum 5 and total % must equal 100)
--

Major theme	Theme	%
Human development	Education for all	60
Human development	Education for the knowledge economy	40
Total		100

Compliance

Policy

Does the project depart from the CAS in content or in other significant respects?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
---	------------------------------	--

Does the project require any waivers of Bank policies?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
--	------------------------------	--

Have these been approved by Bank management?		Yes []	No []
Is approval for any policy waiver sought from the Board?		Yes []	No []
Does the project meet the Regional criteria for readiness for implementation?		Yes [X]	No []
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
Legal Covenants			
Name	Recurrent	Due Date	Frequency
Updating procurement record keeping and filing system		30-Nov-2014	
Description of Covenant			
The Recipient shall, not later than three (3) months after the Effective Date, update the procurement filing and record keeping system within MEST, in form and substance acceptable to the World Bank.			
Conditions			
Source Of Fund	Name	Type	
EFAF	Recruitment of procurement consultant	Disbursement	
Description of Condition			
Procurement consultant to support the Ministry and Secretariat in preparation of all bidding documents.			
Source Of Fund	Name	Type	
SLED	MDTF grant agreement duly authorized/ratified by Government	Effectiveness	
Description of Condition			
The execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action. (Grant Agreement Article V, Section 5.01.(a) (b))			

Source Of Fund	Name	Type	
EFAF	Project Implementation Manual submitted to Bank and adopted by Government	Effectiveness	
Description of Condition			
The Recipient has adopted the Project Implementation Manual in accordance with the provisions of Section I.B.1 of Schedule 2 to this Agreement. (Grant Agreement Article V, Section 5.01.(c))			
Source Of Fund	Name	Type	
SLED	Project Implementation Manual submitted to Bank and adopted by Government	Effectiveness	
Description of Condition			
The Recipient has adopted the Project Implementation Manual in accordance with the provisions of Section I.B.1 of Schedule 2 to this Agreement. (Grant Agreement Article V, Section 5.01.(c))			
Source Of Fund	Name	Type	
EFAF	GPE grant agreement duly authorized/ratified by Government	Effectiveness	
Description of Condition			
The execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action. (Grant Agreement Article V, Section 5.01.(a) (b))			
Team Composition			
Bank Staff			
Name	Title	Specialization	Unit
Janet Omobolanle Adebo	Program Assistant	Program Assistant	GEDDR
Yaw Adu-Boahene	Consultant	Consultant	GEDDR
Beatrix Allah-Mensah	Senior Operations Officer	Senior Social Development Specialist	AFCW1
Kaliope Azzi-Huck	Senior Operations Officer	Team Lead	GEDDR
Bidemi Abioseh Carrol	Consultant	E T Consultant	
Ismaila B. Ceessay	Lead Financial Management Specialist	Lead Financial Management Specialist	GGODR
Amanda Epstein Devercelli	Education Spec.	Education Spec.	GEDDR
Kebede Feda	Human Development Economist	E T Consultant	GEDDR
Sydney Augustus Olorunfe	Financial Management	Financial Management	GGODR

Godwin	Specialist	Specialist	
Marieke Goettsch	Consultant	Consultant	GEDDR
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Christine Makori	Senior Counsel	Counsel	LEGAM
Laura S. McDonald	E T Consultant	Operations Officer	GEDDR
T.Scott Murray	Consultant	Consultant	GEDDR
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Tshela Rose-Claire Pakabomba	Program Assistant	Program Assistant	GEDDR
Ramahatra Andriamamy Rakotomalala		Senior Education Specialist	GEDDR
Luis M. Schwarz	Senior Finance Officer	Senior Finance Officer	CTRLA
Viorel Velea	Senior Procurement Specialist	Procurement Specialist	GGODR

Non-Bank Staff

Name	Title	City
Ed Davis	DFID, Education Specialist	Freetown
Linda Jones	UNICEF, Education Specialist	Freetown
Miriam Mareso	UNICEF, Education Specialist	

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Sierra Leone	Western Area	Freetown		X	

I. STRATEGIC CONTEXT

A. COUNTRY CONTEXT

1. **Sierra Leone is a country of approximately 5.5 million people on the west coast of Africa.** It is divided into four administrative regions, which are subdivided into fourteen districts that directly elect local governments known as Local Councils (LCs). There are 19 LCs. Demographically, it is a very young country with 75 percent of the population below the age of 35. It is blessed with mineral resources including diamonds, titanium ore, bauxite, gold, and chromite, and the recently uncovered iron ore. Although 75 percent of its land is arable, only about 10 percent is cultivated, mainly for food crops such as rice, cassava, yams, and other root crops.

2. **As a result of the implementation of sound policies and structural reforms, the economy has been steadily growing.** Growth has been broad-based and underpinned by increased activities in agriculture, mining, services (telecommunications and banking) and construction. Real annual GDP (Gross Domestic Product) growth averaged 5.2 percent from 2004 to 2011, dipping in 2009 due to the global financial crisis and spiking in 2012 at the onset of iron ore production.¹ The analysis of the 2011 Sierra Leone Integrated Household Survey (SLIHS) data showed a decline in poverty levels from 66 percent in 2003 to 53 percent in 2011, still short of the Millennium Development Goals (MDG) target of 40 percent but a drop of 20 percent.

3. **Since the end of the 10 year civil war in 2003, the Government has made progress in restoring internal security and delivering basic services, particularly in the health and education sectors.** Though the education MDGs will not be met by 2015, progress points to the likelihood that the health MDGs will be met. Under-five mortality dropped from 195 deaths per 1,000 live births in 2000 to 140 in 2010; the incidence of malaria dropped from 500 cases per 1,000 inhabitants in 2003 to 361 cases per 1,000 inhabitants in 2008; and child malnutrition was reduced to 22 percent in 2010, compared to 27 percent in 2000. Still, deaths of children under five, primarily due to malaria, pneumonia and diarrhea, and malnutrition contribute to nearly 60 percent of the mortality rate.

4. **Although growing, the country's economy remains fragile and extremely vulnerable to exogenous shocks in the global economy.** The country still suffers the impact of the war as evidenced by the fact that overall GDP per capita still lags behind the sub-Saharan African (SSA) average. Despite an increase of 78 percent, it remains at 374 in current USD. Domestic revenues are low by regional standards (11.3 percent of GDP in 2011 compared to 16.0 percent for other low-income countries (LICs)) and capital expenditure is mostly supported by donors' grants and loans, equivalent to 76 percent of the total expenditure over the period from 2004 to 2011.

5. **Although still at the bottom quintile, Sierra Leone's ranking among other countries on the human development index (HDI) has edged from 180th in recent years to 177th in**

¹ Over the same period the Sub-Saharan Africa (SSA) gross domestic product per capita average increased 132 percent, from US\$623 to US\$1,445.

2013. Decentralization of services has had a positive impact in terms of the quality of and access to health and education services. The Government’s free health care initiative in 2010 has helped the country move closer towards achieving the health MDGs (4 and 5).

6. In 2007, Sierra Leone joined the Education for All-Fast Track Initiative (EFA-FTI) (currently the Global Partnership for Education-GPE). An EFA-FTI project (P115782) for US\$13.9 million was approved in December 2008. Despite initial delays in implementation, the project was restructured and refocused on quality and system-building activities. By project closing in September 2012, it had achieved the following: a review of the Junior Secondary School (JSS) curriculum; a student assessment framework, including training of Ministry of Education, Science and Technology (MEST) staff and other professionals in test and item development, sampling, etc.; and an enhancement of the Girl-Child Support Program in which areas that could be addressed to improve efficiency and transparency were identified. Lessons from this operation informed the design of the proposed Revitalizing Education Development in Sierra Leone (REDISL) (P133070) operation.

B. SECTORAL AND INSTITUTIONAL CONTEXT

7. Education indicators for Sierra Leone show that the country is making progress towards achievement of EFA, MDG and GPE goals. Based on the school census reports, the primary completion rate (PCR) has increased from 55 percent in 2004 to 73 percent in 2012 while the primary gross intake rate (GIR) dropped from 159 percent to 121 percent, emphasizing that more students are entering school at the appropriate age as the intense bulge created by the post-war and fee-free era is beginning to smooth out.

Table 1: Select Education Sector Indicators

Indicator	2004/05	2010/11	2011/12
Education Share of Recurrent Expenditure	24.9%	23.1%	28.6%
Share of Education Budget going to Primary	50.6%	49.3%	
Pre-primary Share of Education Budget	0.1%	1.6%	
Technical and Vocational Education and Training (TVET) Share of Education Budget	4.1%	3.2%	
Average annual salary of primary school teachers as a multiple of GDP per capita	2.9	2.4	
Recurrent spending on items other than teacher remuneration as % of total recurrent spending on primary education	30.9%	22.0%	
GER Pre-primary	4%	6%	8%
Primary Gross Intake Rate (GIR)	159%	121%	148%
Primary - GIR Based GPI (Gender Parity Index)	0.9	0.9	
Primary % Repeaters	12%	16%	14%
Primary Completion Rate (Proxy Rate)	55%	76%	73%
Primary Completion Rate Based Gender Parity Index (GPI)	0.7	0.9	
Primary Pupil Teacher Ratio (PTR)	61	32	
Primary Pupil Trained Teacher Ratio (PTTR)		65	
Proportion of Primary Aged Children Out of School ²		32.5%	
Primary - JSS Transition Rate	72%	77%	88%
% of Chiefdoms without JSSs		9%	
Junior Secondary School (JSS) GIR	35%	59%	
JSS GIR – Girls	29%	53%	

²Source for this data point: Integrated Household Survey 2010.

JSS - % Repeaters	14%	13%	
JSS Completion Rate (Proxy Rate)	26%	49%	
JSS Completion Rate - Girls (Proxy Rate)	18%	41%	
JSS PQTR		43	
JSS - SSS Transition Rate	14%	26%	
% of Chiefdoms without SSSs		60%	
Senior Secondary School (SSS) GIR	10%	26%	
SSS GIR – Girls	6%	21%	
SSS - % Repeaters	11%	13%	
SSS Completion Rate (Proxy Rate)	11%	26%	
SSS Completion Rate - Girls (Proxy Rate)	4%	17%	
SSS PQTR		49	
Higher Ed. Enrolment as % of SSS Enrolment		33%	
Number per 100,000 of population. in public Higher Education		441	528
Average annual instructional hours at primary level		550	

Source: Sierra Leone Country Status Report (2011)

8. The Government of Sierra Leone (GoSL) has taken steps to increase access and opportunities to children in areas that have been historically underserved. Under the previous education strategy, and through donor support, over 150 primary schools and 30 JSSs have been constructed. In addition, there has been a focus on ensuring that more girls complete basic education. The Girl-Child Support Program for example, has helped increase gender parity at all levels of schooling (in 2007 the junior and senior secondary Gender Parity Indices (GPIs) based on the GERs were 0.78 and 0.52 respectively, by 2010/11 they were 0.80 and 0.59).

9. There have also been improvements in the completion and transition rates for both males and females at primary, junior and senior secondary levels. For example, the primary Proxy Completion Rate improved from 67 percent in 2007 to 73 percent in 2011/12; the Primary to Junior Secondary transition rate stood at 59 percent in 2007 compared to 77 percent in the 2010/11 school year; in 2007 the transition rate to the senior secondary level and the completion rates at the level were approximately 38 percent and 12 percent respectively, by the 2010/11 school year they were approximately 54 percent and 29 percent respectively.

10. Nevertheless, the demand for education across all levels is expected to grow. Population growth has recently accelerated, with an estimated average annual rate of 2.4 percent over 2004-2010, expected to reach 2.6 percent over 2004-2014. This puts Sierra Leone's population growth rate slightly above the 2.3 percent average for SSA LICs. There will not only be a high demand for school buildings and teachers, but also a high demand for quality, technology-enhanced education, so these students will be able to compete with their peers globally.

11. Therefore, demographic pressure on the education system is set to increase in the near future. The projections for 2020 show that compared to the figures from 2010 the number of children 6 to 11 years old is expected to increase from about 0.98 million to 1.3 million; and for lower secondary (12 to 14 years old), from 395,000 to 506,000. These increases will add further pressure on a system still dealing with the post-war “bulge” if not handled effectively.

Table 2: School-Age Population Projections, 2010-2025

Total Population (by age group)	2010		2015		2020	
	Total	%	Total	%	Total	%
	5,546,899		6,585,894		7,487,754	
3-5 years old	575,027	10%	614,342	9%	656,345	9%
6-11 years old	979,009	18%	1,135,070	17%	1,316,008	18%
12-14 years old	394,691	7%	512,136	8%	664,529	9%
15-17 years old	339,688	6%	414,485	6%	505,752	7%
Subtotal	2,288,415	41%	2,676,033	41%	3,142,634	42%

Sources: Sierra Leone Country Status Report, 2011

12. Though access to schools has improved since 2003 it is still not universal. Despite a primary GER of 120.5 percent in 2011, 40 percent of grade 1 new entrants are aged seven years and above and 24 percent of the 6 to 11 years age group were out of school in 2010. This is cause for concern given its detrimental effect on schooling careers and empirical evidence showing that students are at higher risk of dropping out before completion.

13. Both supply and demand-side issues affect the enrolment rate. On the supply-side, similar to findings in other settings, a longer distance to the nearest primary school is correlated with a higher out-of-school rate. Children in communities where there is no primary school or where the primary school does not have classes for each of the grades are less likely to be in school. On the demand side, despite the official abolition of school fees for primary school in 2002/03, the poorest households often lack the capacity to send their children to school and keep them there due to the cost of books, uniforms, supplies, and off-the-payroll teacher fees. Indeed, SLIHS 2011 data indicate that the annual cost to extremely poor households of sending a child to public primary and secondary schools amounts to 5.4 percent and 14.2 percent of household food costs, respectively. This corresponds to 19 days and 51 days of family food consumption.

14. Inequities in access are primarily along socio-economic and geographic lines (urban vs. rural). Gender disparity is apparent as well at the post-primary level. Although not large at the primary level, the gender gap widens gradually as children progress through school with only 14 percent of school-aged girls reaching Senior Secondary School (SSS) 3 compared to 32 percent of boys.

15. Among the main challenges of the sector is ensuring access and retention across all levels of schooling, and further promoting equity. Access to early childhood education opportunities are very limited, impacting children's readiness to succeed in primary school. Only an estimated 14 percent of children ages 3 to 5 are currently enrolled in some form of early childhood care and education (ECCE). Children from higher socioeconomic classes are disproportionately enrolled and enrollment is higher in urban areas. There are an estimated 644 ECCE facilities operating in Sierra Leone— more than half of them are located in the Western region. Forty percent of ECCE centers are private and operated on a for-profit basis and 39 percent are operated by religious-affiliated missions; the remaining ECCE centers are operated by the Government, communities and non-religious organizations.

16. Education outcomes, though similar to countries with a comparable GDP, remain weak. Completion rates were up from 55 percent in 2004 to 73 percent in 2011 – a significant achievement in a short time period but less than the SSA regional average by about 6 points. Students’ learning outcomes are generally poor at all levels. According to a recent Early Grade Reading Assessment (EGRA) at the end of grade 3, many children had not reached a stage of “reading to learn” but were still “learning to read” – i.e. acquiring comprehension of words and sentence composition. This deprivation of the most basic reading, writing and comprehension skills impedes their success in life (over 50 percent were not able to write their own name).³ Poor results in the Basic Education Certificate Examination (BECE) and the West African Senior School Certificate Examination (WASSCE) are, in large part, a result of inadequate preparation of students during their early education and the inability of the system to compensate for these initial shortcomings. Completion rates for primary school reached 765 in 2010/11 but quality of learning remains an issue.

17. Teacher availability, lack of tracking, and relevant qualifications are obstacles to making major progress in the sector. In 2010/11, the total number of teachers was estimated at 38,125 for primary and 17,194 for secondary schools, up from 19,317 and 5,580 in 2004/05, respectively. However, the proportion of unqualified teachers has also witnessed an upward trend over the same period suggesting that despite its broad scope, the teacher training system is facing difficulties in adequately responding to the growing demand for teachers. The latter is caused, in part, by the surge in primary and secondary enrollment, boosted by the implementation of the fee-free primary education policy. According to the 2011 Country Status Report (CSR), only about one-half of teachers are qualified for their level and position and this figure has been on the rise since 2003. This problem is most pressing at the primary and pre-primary levels with 52 percent of primary, 41 percent of JSS and 31 percent of SSS teachers being unqualified.

18. In 2011, female teachers comprised only 25 percent of all teachers at the primary level. This is unfortunate as the importance of female teachers is widely recognized as role models for all students, particularly for female students in rural settings, where they teach girls to become active agents in community development. Female teachers are also often recognized as a factor which encourages girls’ enrollment, as well as retention (see Haugen et al., 2011).

Table 3: Teacher Characteristics (gender and qualification) by school level (2004/05 and 2010/11)

	Pre-primary	Primary	Secondary			Total
			JSS	SSS	Total	
2010/11 (Total)	2,167	38,125	12,794	4,400	17,194	57,486
% Female	82%	25%	14%	8%	12%	23%
% Qualified	42%	48%	59%	68%	61%	52%
2004/05	—	19,316	—	—	5,580	24,896
% Female	—	32%	—	—	19%	—
% Qualified	—	59%	—	—	90%	—

Source: World Bank, 2007 and EMIS, 2010/11.

Note: The share of qualified teachers refers to those qualified for their level and position.

³Source: Sierra Leone Country Status Report, 2011

19. A large portion of teachers in primary classrooms are not on the payroll. Teachers in Government and Government-aided schools account for 91 percent of the teaching force, about 52,300 in total in 2010-11, the broad majority in primary schools, but only about 60 percent have a personal identification number (PIN), i.e. are on the payroll. A teacher verification exercise was undertaken in 2013 with support from donor partners including the African Development Bank (AfDB) and DFID (UK Department for International Development) as a first step to addressing the teaching workforce challenge. The conflict in Sierra Leone had left the country depleted of its teaching labor force, at a time when the need for qualified and trained teachers was particularly acute, as student numbers surged with the implementation of the fee-free primary education policy in 2002/03. Shortages remain significant in certain critical subjects at the post-primary level such as Math, Science, and English. Teachers are allocated with a high degree of randomness which does not address school needs. A strategic and long-term approach to building the teacher workforce in line with prioritized national needs (such as subject area shortages, geographical deployment, and increasing the numbers of female teachers) is critical for building the education sector in Sierra Leone.

20. Little is known about teacher retention and attrition as no data on these issues are collected at present. Anecdotal evidence points to teachers leaving the profession for better pay and working conditions elsewhere as there are still no extra incentives for teachers to work in remote areas (MEST, 2011). The 2013 teacher verification study mentioned above found that 22 percent of teachers on the payroll could not be verified (they were not teaching in schools).

21. The education system is operating with very little information management and almost no assessment information. Examinations are held at the end of primary, junior secondary, and senior secondary cycles and they are designed to determine the number of students eligible to transition into the next level. There is no mechanism to assess students' learning as a stepping stone towards identifying areas for curriculum modification, teacher training, and system improvement. Empirical evidence has shown that children's learning over the course of the first three years is poorly supported by end-point evaluations.

22. Despite challenges faced by the Government in resource mobilization, education expenditure increased slightly over the period from 2004 to 2011. While the share of education was 3.3 percent of GDP in 2004, in 2011 it reached 3.5 percent of GDP and 29 percent of recurrent public expenditures. Such levels of education financing are above both the average for LICs (22 percent) and the Fast-Track Initiative (FTI) benchmark (20 percent) and it seems to be an indicator of the high priority the Government is giving to education. On the other hand, since the devolution process initiated by MEST in 2004, a growing share of the total education budget has been channeled directly to schools via local governments. By 2010, 10.5 percent of the total public education budget, excluding the external funding of development expenditure, was managed by LCs.

23. Capacity development has been consistently identified as one of the most critical factors for the sector's progress in terms of effective service delivery and achievement of better learning outcomes for all. Given the expected increase in demographic pressure on the education system there is a strong imperative to increase the capacity of the system itself. In this context, achieving universal primary education (UPE) by 2020 will require increasing the system's capacity by 56 percent according to the CSR in 2011. One way to ensure a more

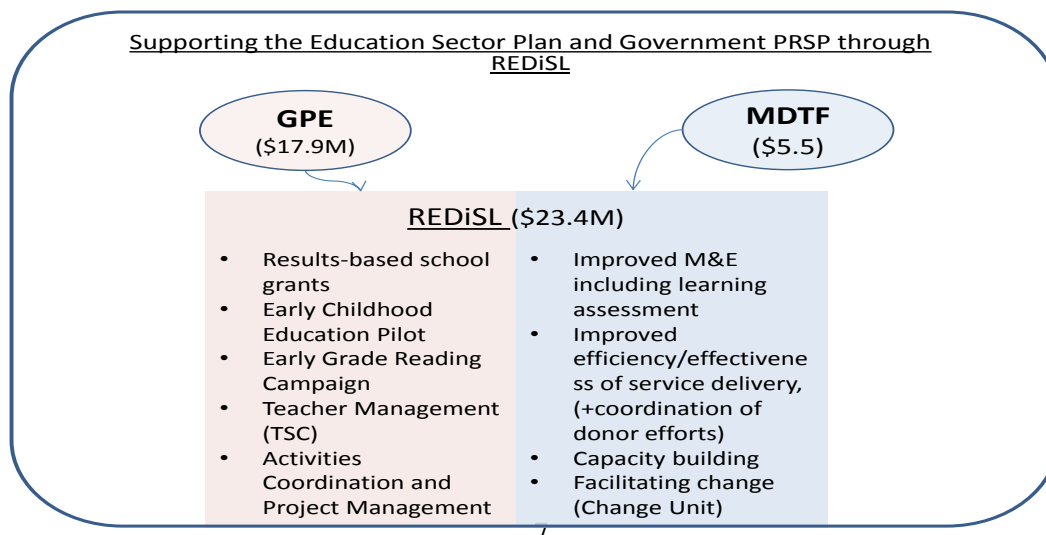
efficient use of education inputs and resources at the school level may be through improving supervision and accountability mechanisms at the local level. In order to do this an adequate and effective decentralized information and monitoring system should be established as soon as possible. To this end, a Capacity Development Strategy was developed by the MEST in 2010 with support from donor partners in order to provide a coordinated and coherent response in delivering on education policy objectives across the sector.

C. HIGHER LEVEL OBJECTIVES TO WHICH THE PROJECT CONTRIBUTES

24. **The MEST has outlined its strategy for 2013-2018 through an Education Sector Plan (ESP)** that lays out the vision for improving access, quality and monitoring of education throughout the country. The plan links the higher level education related goals outlined in the poverty reduction strategy paper (PRSP) (*Agenda for Prosperity*) and is founded on three pillars for moving the education agenda forward: **(i) access, equity and completion; (ii) quality and learning outcomes; and (iii) systems strengthening.** Interventions identified in the plan balance the need to address core elements of the education sector while tackling the challenge of bringing quality education opportunities to those currently without. Understandably, a mix of resources and partnerships are needed to help the MEST and the GoSL to achieve the objectives laid out in the strategy. In this vein, GPE funding is essential to helping the Government address, in a feasible timeframe, some of the most pressing challenges faced by the sector.

25. **On a global scale, the REDiSL is closely aligned with the GPE’s vision as it is expressed in the objectives underpinning the support to the education sector:** (i) fragile and post conflict countries implementing sound ESPs; (ii) all girls complete primary and enroll in secondary; (iii) dramatic increase in the number of children mastering grade 3 literacy and numeracy skills; (iv) improved teacher effectiveness; and (v) increased volume, effectiveness, efficiency and equity in domestic and external financing. The REDiSL also shares the same objective as the Sierra Leone Education Multi-Donor Trust Fund (MDTF), expected to co-finance a subset of the interventions (component 2). In that context, the Project will support the MDTF to deliver on its aim of improving the monitoring and reporting capacity of the MEST as well as efficiency of management and service delivery – crucial elements to improving the state of basic education in Sierra Leone.

Figure 1: Use of Funding by Source for REDiSL Project



26. The Government's PRSP (*Agenda for Prosperity*) which covers the period 2013-2018 has identified education and educational training as key investments in human capital development that contribute to economic growth. This is the main focus of the pillar aiming to “reduce education-related inequalities towards universal education and provide high-quality learning opportunities at all educational levels for all women and men.” Indeed, empirical evidence has shown that investing in education, particularly in the early years, has significant returns. The MEST has developed an Education Sector Plan with a strategy incorporating these goals and aimed at moving the country forward in access, quality, and system building.

27. The World Bank is currently developing the next Country Assistance Strategy (CAS) for Sierra Leone in partnership with the Government. The CAS will be closely aligned with the Government's *Agenda for Prosperity*. Although specific priorities have not yet been finalized, investment in human development, particularly in basic health and education services, technical and vocational training, and higher education are expected to be priorities to support Sierra Leone's progress towards achievement of the MDGs and quality education for all.

28. The REDiSL Project is the Government's first opportunity to implement key strategic areas of the ESP. The Project, therefore, is fully in line with the strategic objectives as it focuses on quality and learning outcomes and strengthening of the education system. Activities selected deliver intermediate results while simultaneously building the foundation for better management and efficiency within the sector, and creating opportunities for effective investment in the sector (through direct funding to schools, expansion of pre-primary services, and measurement of learning outcomes).

29. The World Bank value added to the REDiSL operation is both global and country-specific. In 2013, the Bank was supervising GPE funded operations in 36 countries, a global portfolio of about \$1.7 billion. Since inception, 78% of GPE's programs amounting to about \$3.6 Billion has been implemented with the Bank serving as supervising entity. This has allowed Bank teams to build extensive familiarity with GPE's modalities, working with Local Education Groups, and liaising between the client and donors while linking efforts at country-level to global objectives such as the MDGs. In the context of Sierra Leone, the Bank draws on cross-country technical expertise (and will continue to do so under the new Global Practices structure) to support the MEST, through this operation, in testing new models for education service delivery-the performance-based school grants, early childhood education-and building systems for improving quality - establishment of the TSC. Operationally, the Bank has also built up experience effectively managing multi-donor TFs supporting other sectors in Sierra Leone, making it a logical conduit for donor investments in education.

PROJECT DEVELOPMENT OBJECTIVE(S)

A. PDO

30. The Project Development Objective is to improve the learning environment in targeted schools and establish systems for monitoring of education interventions and outcomes.

PROJECT BENEFICIARIES

31. Over its three-year implementation period, **the REDiSL project is expected to directly benefit approximately 6,000 primary schools and 150 JSS in select districts. Approximately 900,000 students in grades 1-3 levels (about 50 percent of whom are female) are expected to benefit from the early grade reading program.** Indirect beneficiaries will be all those children of primary school age (this figure is estimated to reach 1.1 million by 2015). Targeted interventions like the school grants and early childhood education will further benefit those located in poorest districts of the country (see Table 4 for criteria), aiming at improving the learning environment. Ten percent of the teaching workforce or approximately 4,500 teachers and administrators will have the opportunity to complete the trainings associated with the reading program, or the early childhood education program. Future classes of teaching institutions will also benefit as teacher-educators will also be involved in the training (development and roll out) and will in due course incorporate it into the pre-service teaching curriculum. The larger circle of beneficiaries will include all teachers who will benefit from the services of the Teaching Services Commission to be established, as well as communities, non-governmental organizations (NGOs), district education offices, Local Councils, and third parties involved in the project.

32. **The MEST will benefit from the efficiency inputs to be supported through this project and the capacity enhancements to monitoring and reporting.** Finally, donor partners are expected to be indirect beneficiaries of the REDiSL as systems will be established to coordinate donor activities and to provide a more comprehensive, consolidated framework for working in the education sector.

PDO LEVEL RESULTS INDICATORS

33. Progress towards the achievement of the PDO will be measured through the following PDO-level indicators:

- Percentage of targeted schools meeting grant performance targets.⁴
- Percentage of teachers using improved reading methods
- Teaching Service Commission (TSC) guidelines for teacher management in use
- Number of school censuses conducted by Ministry's Planning and Policy Directorate
- Annual reports (3) on the state of the education sector (monitoring ESP targets)
- Direct project beneficiaries

⁴The school grants will be awarded to targeted schools contingent upon achievement of a set of agreed results. These include, among others, student attendance, teacher attendance, school operational (opening) days, public display of phase I funds' use, public display of school improvement plans, minutes from School Management Committee meetings. They will be reported on by district inspectorates to LCs and the Ministry and verified through unannounced spot checking by an independent entity. See Performance Based Financing implementation framework for more details.

II. PROJECT DESCRIPTION

A. PROJECT COMPONENTS

34. **The REDiSL is a US\$23.4 million grant processed using an Investment Project Financing (IPF) instrument**, supported through a US\$17.9 million contribution from the GPE and a US\$5.5 million contribution from DFID through the Sierra Leone MDTF. It builds on the progress achieved through the previous EFA-FTI operation and finances a number of the activities laid out in the ESP (2013-2018). The Project has three components.

Component 1 – Improving the learning environment and opportunities in targeted areas (US\$16 million)

1.1 Performance-based School Grants (US\$5.1 million)

35. **Outputs:** (i) Annual reports by District Inspectorates tracking the percentage of schools that meet 60 percent of performance targets (end target: 85 percent); (ii) Annual grant completion reports tracking number of primary schools receiving grants through the project (end target: 960); (iii) Annual grant completion reports tracking number of JSS receiving grants through the project (end target: 120).

36. The performance-based school grants component will improve access and learning environment in primary and JSS in targeted districts. Financial incentives will be provided to schools based on delivery of outputs and the amount disbursed will be based on the results that schools achieve.

37. The specific objectives of the Performance-based School grants (also referred to as Performance-based Financing - PBF) are to: (1) provide additional resources at school level to cover the cost of delivering services and removing the need for ‘informal’ charges in primary school; (2) increase educational equity, since Local Councils (LCs) with the lowest educational outcomes and highest poverty levels are targeted; (3) improve the learning environment and opportunities in selected schools – by strategic selection of the indicators and targets; and (4) strengthen capacities of LCs, district education staff, and heads of schools in the administration of the grants. This performance based financing has been chosen in an effort to tackle the more operational challenges. These challenges are associated with a mixture of supply and demand side issues, of quantity of service delivery (children in school) and quality of these services (conducive to learning and teaching climate for better outcomes). This is a new approach for the education sector in Sierra Leone, but it has been tested with some success in the health sector. Schools in marginalized districts, selected based on the criteria outlined in the table below, must meet agreed outputs or outcomes to receive funding.

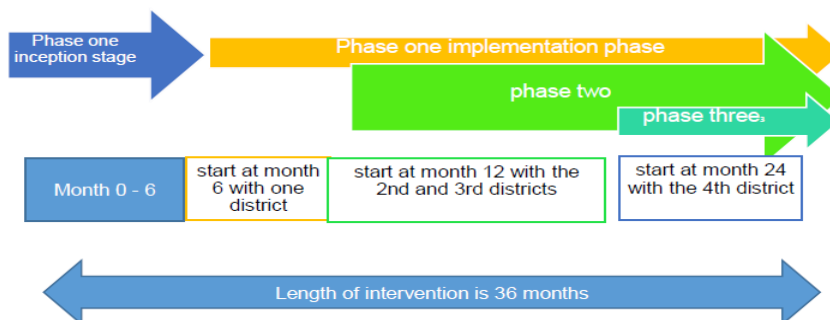
**Table 4: Local Councils Ranked by Education Profile and Poverty
(1: Best-Performer and 20: Weakest-Performer)**

Local Councils	% of pop. below poverty line	Net primary enrollment (NER)	Gross Primary enrollment ratio (GER)	Grade 1 net intake ratio	% of out-of-school children	% of primary repeaters	Class size	% of schools require repair	Student teacher ratio	% of qualified teachers	% of trained teachers	Rank score
Kenema District	18	20	19	20	20	12	16	5	9	18	18	175
Kambia	12	17	18	19	19	19	17	7	20	15	11	174
Tonkolili	20	15	14	4	16	11	12	17	8	19	19	155
Pujehun	10	14	10	17	17	9	19	14	17	16	12	155
Bonthe District	9	16	3	16	14	7	7	18	19	20	20	149
Koinadugu	8	18	17	15	15	2	5	19	18	17	15	149
Moyamba	17	11	6	9	13	20	20	12	10	14	13	145
Kailahun	11	12	15	18	12	18	15	6	15	11	9	142
Kono	14	19	11	6	18	8	11	8	14	12	16	137
<i>Sierra Leone (nat'l median)</i>	<i>13</i>	<i>13</i>	<i>7</i>	<i>12</i>	<i>11</i>	<i>13</i>	<i>10</i>	<i>15</i>	<i>12</i>	<i>13</i>	<i>10</i>	129
Port Loko	15	10	13	7	10	16	6	16	16	7	8	124
Bombali	19	9	1	8	9	17	8	11	11	9	17	119
Bo District	16	6	12	3	8	15	4	20	7	10	5	106
Koidu City	4	8	5	10	7	3	13	10	13	8	7	88
Bonthe City	6	7	20	11	2	14	1	3	1	5	14	84
Western Rural	5	5	2	14	6	4	3	9	6	6	6	66
Kenema City	7	3	8	13	1	5	14	4	2	3	3	63
Bo City	2	1	16	2	3	6	9	13	3	2	2	59
Makeni City	1	2	9	1	4	10	18	1	5	1	1	53
Freetown City	3	4	4	5	5	1	2	2	4	4	4	38

38. This approach aims to incentivize schools to focus on providing a basic opportunity to learn by rewarding schools that are open a high percentage of the time, schools with high student and teacher attendance, etc. The selected schools will receive a pre-determined amount of money for each indicator met, corrected for additional scores for quality and school outcomes such as pass rates on national exams as well as a general correction for inequity due to geographical location (remoteness) and poverty level in the area served by the school.

39. The Performance-Based School Grants program has been designed in a number of phases and stages to allow for gradual learning and opportunities to improve the program. The figure below shows the proposed phasing – starting with one district in the first phase, two in the second phase, and the fourth in the third phase. However, it has been agreed with the Ministry that the phasing in of the second, third, and fourth districts could begin much earlier as the Project team is able to expand operations.

Figure 2: Phased Implementation for Performance-Based School Grants



40. Different sets of indicators will be used to measure performance of schools enrolled in the intervention. These include quantity and quality indicators for performance measurement on a term basis, and outcome indicators on an annual basis. In addition, there will be other factors that determine the actual payments, for example, there will be penalties for (purposeful) misreporting and bonuses for enhanced equity in enrollment. The table below shows the set of quantity (output) indicators that have been defined and the calculation of price per unit of service.

Table 5: Sample Indicators to be used by schools

	Indicator name	Definition of unit of service	Maximum per term⁵	Price per unit of service
1	School opening days	the school is open on all days in a particular week as per roster	13 units	Fixed price per week the school is open (usually 5 days, at times less due to e.g. public holidays)
2	Classes in session	# of classes in session on all days of the week as per roster	13 units times number of classes expected to be running in school	Fixed price per class taught by teacher as per duty roster
3	Students in class	Lowest # of students attending class on any day (morning or afternoon) of the week	13 units times number of students enrolled in school	Fixed price per child per week (differentiated per class, gender and per category of school)

Note: values for each indicator will be determined upon completion of baseline. Because this practice has not been implemented in Sierra Leone, it is difficult to assess the state of schools prior to carrying out the baseline survey.

41. In addition to the quantity indicators, schools will also be assessed on quality indicators. These will be taken from the cluster monitoring tool already being used by school supervisors as part of their cluster monitoring process. They include maintenance of teacher records at the school, adherence to standard school opening times, payment of teachers on time, effective follow up plan for absenteeism of students, etc.

42. In order to ensure that PBF allocated resources are spent meeting the principles of economy and efficiency and subsequently the schools are building/improving their procurement capacity and practices, the schools receiving grants shall have adopted, and been trained on the use of the School Grants Manual that the project will develop before disbursement under this component.

⁵ The above rests on the assumption that a term has 13 weeks of schooling. If some terms have more weeks of operation than others the number of 13 may have to be differentiated. This will be done once schools are identified selected.

43. The funds will be disbursed from MEST to the school bank accounts, and verification will be done by the LCs. Using the performance-based financing mechanism, the REDiSL will support the delivery of education services while obtaining reliable data at schools, and building a results-focused culture in the education sector. The systems and processes for administering grants to schools already exists in Sierra Leone through the school fee-subsidies - an input-based grant that is provided to primary schools whereby schools receive about US\$1.2 per each student enrolled. However, this amount is not enough to provide quality improvements and it usually reaches the school very late.

44. To ensure effective implementation of the PBF, the Project will also finance the training of 1200 School Management Committees (SMCs) affiliated with the target schools in order to enhance the local capacity to validate and monitor the outputs expected. The training will include: school records management, drawing up of school development plans, finance and budget including financial reporting, data collection and management, and monitoring and supervision of the utilization of school grants. Technical assistance will also be provided to the four local councils to support their involvement in output verification and sensitization. Finally, a baseline survey will also be carried out at the start of project implementation in the target areas and form the basis for the monitoring and verification throughout the project cycle.

1.2 Piloting approaches to increase school readiness (US\$1 million)

45. Outputs: (i) Annual project reporting tracking number of pre-primary classrooms established under the project (end target: 50); and (ii) Annual training reports on number of trained teachers and caregivers under the project (end target: 300).

46. A tradition of ECCE exists in Sierra Leone and good models of service provision are in operation (though targeting higher income populations and defacto, urban areas); this sub-component will build on these existing practices and pilot a cost-effective approach to ECCE and develop quality assurance standards.

47. The project would support the establishment of approximately 50 pre-primary classrooms; 30 of these will be attached to Government supported primary schools and the rest hosted in Community Learning Centers (CLCs), which are established in select communities and managed by the Department of Non-Formal Education within MEST.⁶ Should the construction/rehabilitation turn out to be less costly than currently estimated and/or additional external funding become available these numbers can be raised. The classrooms will primarily serve children age 5 and below, many of whom are currently enrolling in Grade 1 and adding to the already challenging learning environment at that level.

48. In addition to the classrooms, the project will support teacher and caregiver training for those who will be teaching in the pre-primary classrooms. This will include initial 3 weeks of training and then ongoing training throughout the school year. Approximately 110 teachers will be trained through the project, but materials will also be made available to teacher

⁶In cases where the community demonstrates great need but inability to contribute the classroom structure, the Ministry may decide to fund the construction of the classroom. This will be on an exceptional basis given the very limited resources available for this support.

training institutions throughout the country for use by teachers and caregivers considering working in ECCE. This will add another 150-200 teachers that could benefit from training using the materials developed by the project.

49. To ensure the quality of service delivery, the project will also support the capacity building of the MEST to establish Minimum Quality Standards for ECCE. These Minimum Quality Standards would be applied to the classrooms established under the pilot, along with a sustainable system for monitoring and supporting compliance. They would include simple infrastructure and safety and sanitation standards, level of education and qualifications for teachers and caregivers, student-teacher ratio and guidance on curriculum and classroom management. To achieve this and ensure sustainability of efforts and commitment to ECCE, a pre-primary focal person will be identified to help MEST develop pre-primary education services and address quality standards.

50. It is understood that the GPE funding will serve as a catalyst for the expansion of ECCE services in Sierra Leone. Given the competing demands on the sector, it is not feasible to expect the GoSL to scale up the pilot effort immediately upon project closing. However, there are several other potential sources of funding that may become available, including private foundations, local and international organizations who have expressed interest in follow-on funding once results are delivered through this project. External funding has also been requested to conduct an impact evaluation of the ECCE activities implemented under this project.

1.3 Strengthening reading outcomes at early grades (US\$6.9 million)

51. **Outputs:** (i) Independent study on percent of trained teachers using improved reading methods (end target: 70 percent); (ii) Independent study in year 1 and 2 on percent of targeted schools that received reading books through the project (end target: 100 percent); (iii) Annual training reports on number of trained teachers under the project (end target: 4200).

52. To support the ESP's aim of improving the pedagogical methodologies used by teachers to improve learning outcomes, the operation will support a comprehensive national reading program intended to improve literacy in early grades and create a culture of reading as a foundation for learning. Specific interventions would include the following:

53. *Reading books for primary classes (1-3) and relevant learning materials* (teachers' guides and teaching support packets for trained teachers). The GPE would finance the production, and distribution of approximately 1.9 million reading books for grades 1-3 for all primary schools throughout the country. This would result in an approximate ratio of two reading books per student though they are developed to be used and re-used so students would be exposed to more titles throughout the school year. These books would complement the current syllabus and would be selected using criteria based on literacy-levels, literary value, and social-cultural relevance. Teachers and students are expected to use the books as tools to complement literacy skill and fluency based instructional goals, using strategies such as word family work, vocabulary learning, comprehension teaching, reading aloud, storytelling, literary games, and individual silent reading.

54. Books will be delivered to the LCs who will then transfer to designated schools with help of District Education Offices (DEOs). Costs of delivering the books to the schools through the LCs have been incorporated into the project.

55. Books selected for publishing will first need to be cleared by the MEST. Some titles are already under review by the MEST and are undergoing minor modification (adding two poems at the beginning and an additional “informational” section at the end, e.g. hygiene instructions in the book on bathing). The purpose of these modifications is to increase the number of encounters children have with each book; increasing the number of genres and vocabularies with which children engage. All titles should be ready for delivery to schools and use by the 2015-16 academic year.

56. *Grade-level reading campaign.* The project will support the roll out of a reading campaign using multiple channels. At the community level, examples of this would include Talking Drum Studio stories and similar events. At the national level, the Sierra Leone Broadcasting Corporation (SLBC) will be approached to carry bi-monthly interviews and presentations about the importance of literacy and the ways in which parents and schools work together for children’s success. At the school level, the school management committees (SMCs) would be asked to create regular slots for learning about literacy using proposed topics such as “*the importance of learning to read*”, “*why do we want our children to be able to read?*”, and “*how do children learn to read?*” Schools will also be able to hold short storytelling events, or make alphabet books with help from teachers.

57. *Training for teachers of early primary grades.* The project will support the development of a training to help teachers understand effective teaching for quality outcomes, train the trainers in the content, and subsequently fund the training of 10 percent of the primary school teaching workforce (about 3,800 teachers over the three years) and 600 pre-service teachers in training. Training will also provide tools like teacher lesson guides, pedagogical materials, as well as scope and sequence lists.

1.4 Improvements in teacher management (US\$3 million)

58. Outputs: (i) Independent verification of establishment of TSC guidelines for teacher management in year 3; (ii) Independent verification of approval of TSC organogram in year 1; (iii) Independent verification of development of guidelines for licensing and registration of teachers in year 3; and (iv) project reporting on transfer of records from MEST to TSC in the third year.

59. The Teaching Service Commission (TSC) Act was enacted in 2011, which gave the TSC four broad roles with respect to teacher management, specifically: (i) registration and licensing of teachers (ii) teacher performance and development (iii) teacher management operations – recruitment, replacements, transfers, promotions, etc.; and (iv) teacher/employer relations. In this context, the project will support the establishment and operationalization of the TSC. The main output for this intervention would be an effective and efficient management of the teaching labor force underpinned by a database which would inform management decision making with respect to the promotion of professional development and performance of teachers and reporting protocols from districts.

Component 2 – Strengthen education service delivery (US\$5 million funded by MDTF)

60. This component is funded by the REDiSL MDTF and will provide support in the following three areas through the three sub-components detailed below:

- i. **Implementing and Monitoring Specific Elements of the education sector strategy:** The trust fund will co-finance specific areas of the Education Sector Plan (ESP) covering the period from 2013-2018, which have been identified as bottlenecks for the implementation of the plan. In this context, it will put in place the systems and processes to ensure effective monitoring and evaluation (M&E) of the ESP and educational services in general.
- ii. **Coordinating Donor Activities in Education:** The MDTF will provide support to the change process currently being developed in the MEST aimed at creating structures to give for better coordination of efforts in the sector.
- iii. **Addressing Capacity Gaps at the Ministry and Local Levels:** In line with recommendations of the Capacity Development Strategy (CDS), the MDTF will support capacity development for MEST at both the central and district level.

2.1 Building the foundation for better measurement of learning outcomes (US\$0.5 million)

61. **Output:** Established learning assessment team and executing of a learning assessment in mathematics and English by end of the project.

62. The project would establish and operationalize a semi-autonomous assessment unit within the MEST to coordinate the design and execution of assessments at lower and upper primary and JSS. Once established, the unit will lead the design, execution, and analysis of a grade 5 assessment in Mathematics and English.

63. This initiative would receive technical coordination from the Change Unit (CU) (specified under sub-component 2.3) at the start until the team is able to move forward on its own. Although the team will be responsible for design, testing, and rolling out of the assessments, it will collaborate closely with others in the MEST and outside including the Directorate of Planning and Policy, Curriculum Development, Inspectorate, Teacher Training Colleges (for pre-service and in-service teacher training), Statistics Sierra Leone, West African Examination Council (WAEC), and others. It will rely on expertise to help analyze assessment findings and help articulate an action plan to adjust content, methodology, etc. to improve learning outcomes.

64. In doing this, and by building on outputs of the previous EFA-FTI operation and work of donor partners, the project will help the MEST move forward to be able to determine what its students are learning and lacking. The ultimate goal will be realized once Sierra Leone is able to carry out national learning assessments regularly to understand patterns in students' learning and modify the curriculum as needed to gain improvements.

2.2 Establish robust consistent school data collection and analysis (US\$1 million)

65. Outputs: Project reporting on implementation of school censuses.

66. To address data collection in the short term and ensure consistent reporting, the REDiSL will support the Ministry with the annual school census that has been carried out successfully by MEST over the past three years. As such, it will build on the system already in existence to support carrying out the census during the academic schools years of the project cycle. Some funding will be used to help MEST to decentralize collection and cleanup of data as well as develop a shorter version of the census which can be administered on alternate years.

67. In addition, the REDiSL will help the MEST establish a sustainable system for data collection and analysis within the Directorate of Planning and Policy to include coverage of TVET, higher education, and other sub-sectors. In this context, it (i) will help establish a technical data collection and M&E team in the Directorate of Planning and Policy to allow for sustainable, credible monitoring of the ESP; (ii) cover the infrastructure enhancement required for decentralization of data collection and cleanup of data at the district levels where real-time validation is more feasible; and (iii) support the development of a M&E needs assessment and plan to lay the foundation for better data collection and reporting. In increasing the personnel and infrastructure capacity of this team, the MEST can be expected to deliver reliable, timely, reporting on the REDiSL indicators as well as the sector as a whole, allowing the Government and partners to track progress on the ESP.

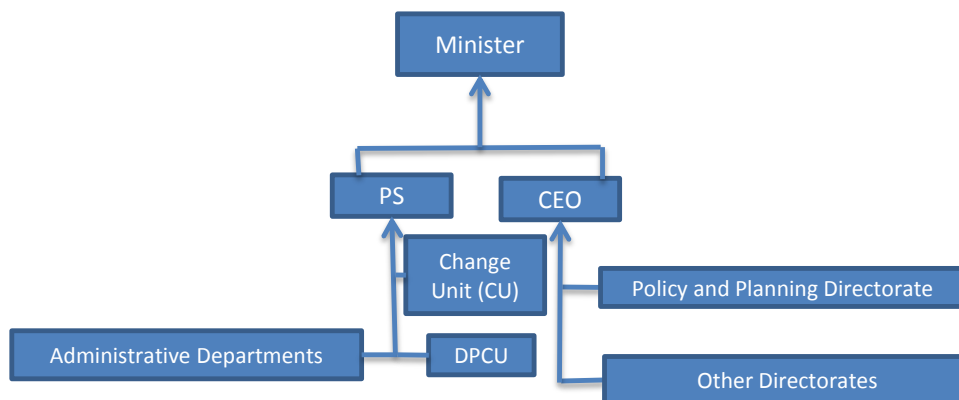
2.3 Establishing a system for effective delivery on the Education Sector Strategy (\$3.5 million)

68. Output: Annual project monitoring of the achievement of key outcomes under the ESP.

69. To improve delivery of education, the REDiSL will support capacity development of MEST to support more efficient, effective delivery of services at central and decentralized levels. In this context, the REDiSL will help establish a “Change Unit” (CU) within the MEST. The CU will be a temporary entity providing coordination and short-term technical assistance for: the establishment of the learning assessment unit (referred to above); enhancement of staff’s capacity to better deliver in their roles; development of timely and effective operational and budget plans at the local council levels, by the LCs and DEOs; development of certain target areas of the ESP, such as serving children with disabilities; establishment and execution of strategies for dissemination of data; development of an internal communication system for better and faster communication within MEST; coordination of donor interventions in the sector for better efficiency in delivery; and building a culture whereby targeted training and research will move the education agenda forward.

70. These deliverables will not be led by the CU on its own as it will engage the office of the Chief Education Officer on all professional/technical matters, and will raise issues and seek guidance from the Minister and Permanent Secretary (PS). But directorates within the Ministry will take the lead on initiatives related to their work program. Where there is neither appropriate directorate nor official/consultant to be the reporting officer, the CU will be accountable for activities and deliverables to the PS. It will be the responsibility of the CU to support the directorates to plan (and include this in the MEST annual operational plan), execute and produce the deliverables.

Chart 1 – Organizational placement of Change Unit within MEST



Component 3 – Project Management and Supervision (US\$0.9 million)

3.1 Project Management and Supervision

71. This component will cover the inputs required to provide necessary support to the MEST for administrative management of the operation. As such, it will cover the supervision mechanism, including adherence to safeguards, financial audits, qualitative audits and overall coordination of activities. Implementation of the Project sits with the MEST’s Permanent Secretary’s office and is delegated to a REDiSL Secretariat - established to coordinate and oversee the day-to-day administration of activities.

72. Reporting - during implementation, interim reporting will be required from district inspectorates in districts targeted under specific components and will be established and supported under this component. Reporting will be coordinated and consolidated by the REDiSL Secretariat but will be led by the M&E Unit in the Directorate of Planning and Policy with input, as needed, from the CU.

73. Coordination- funding for the REDiSL Secretariat, which will handle the day-to-day administration of the project on behalf of MEST, will come from this allocation. It will also support fiduciary management, procurement, and auditing (details can be found in Annex 3). To do this, the project is expected to finance the following positions in the REDiSL Secretariat that will be responsible for the day-to-day operations of the REDiSL: REDiSL Project Coordinator, Financial Management Specialist, Finance Officer, Program Officer, M&E Officer, procurement consultant. Additional consultants may be contracted on short-term basis to address specific needs of the project.

74. The operation by design includes an unallocated amount of US\$1.4 million (equivalent to 6 percent). Of that about \$0.9 million is from GPE resources, envisioned to cover additional needs of the Performance Based Financing. If those needs do not arise, the funds will be reallocated at mid-term to other components or used for purchasing books for students in class 4 (currently only students in class 1-3 are included). The remaining unallocated -US\$0.5 million from the MDTF, will be used as a contingency for all components funded by MDTF but specifically to address the deliverables under component 2.3 which are numerous and will require supplemental financing.

B. PROJECT FINANCING

Lending Instrument

75. The REDiSL project is being processed using the World Bank’s Investment Project Financing (IPF) instrument with a GPE grant of US\$17.9 million plus \$5.5 million equivalent from DFID channeled through a World Bank administered multi-donor trust fund. This instrument is most appropriate at this time because it allows the flexibility to fund inputs needed and results while giving the MEST the necessary implementation support. Other instruments were considered, including the Program-for-Results (PfR) but were deemed not suitable: data required and sector/country capacity were not sufficient at this stage to allow use of these alternative instruments.

76. **Retroactive financing in the amount not to exceed US\$500,000 has been requested for this operation.** The request is well founded as it allows the GoSL to move forward with project preparations with the aim of having some deliverables met by the start of the school year.

Table 6: Project Cost and Financing (US\$ million)

Project Components	Project Cost (\$ Million)	IBRD/IDA financing (\$ Million)	GPE Financing (\$ Million)	Other (MDTF) (\$ Million)
1. <u>Improving the Learning Environment and Opportunities in Targeted Areas (GPE)</u>	\$5.1	\$0	\$5.1	\$0
1.1 School Grants	\$1.0	\$0	\$1.0	\$0
1.2 Pre-primary education	\$6.9	\$0	\$6.9	\$0
1.3 Strengthening reading outcomes at early grades	\$3.0	\$0	\$3.0	\$0
1.4 Improvements in teacher management				
2. <u>Strengthen Education Service Delivery (MDTF)</u>				
2.1. Building the foundation for better measurement of learning outcomes	\$0.5	\$0	\$	\$0.5
2.2 Robust consistent school data collection (school census)	\$1.0	\$0	\$0.0	\$1.0
2.3 Develop a mechanism for better delivery on the ESP	\$3.5			\$3.5
3. <u>Monitoring and Supervision (MDTF)</u>	\$0.9 million	\$0	\$0.9 million	\$0.0
Unallocated from GPE	\$1.0 million		\$1.0 million	
Unallocated from MDTF	\$0.5 million	\$0		\$0.5 million
Total:	\$23.4 million	\$0	\$17.9 million	\$5.5 million

C. LESSONS LEARNED AND REFLECTED IN THE PROJECT DESIGN

77. **The previous EFA-FTI operation provided a number of lessons that have been considered in the design of this GPE operation.** When countries have weak capacity the standard three-year implementation period required of GPE-funded operations does not provide adequate time to build the necessary capacity and implement complex projects, in particular as it relates to civil work activities. The Government and World Bank have, therefore, decided not to include such activities in this project but rather to work with donors in parallel channels to ensure the MEST meets the targets set by the ESP towards increasing access, particularly in rural area.

78. Another major lesson refers to the implementation team on the ground: **a strong project team must be in place prior to start of implementation and remain in place throughout the project cycle.** This has been addressed by the decision to use the REDiSL staff who have been involved in the previous EFA-FTI operation to avoid steep learning curves and discontinuity in work. The project will also recruit to further enhance this team – these recruitments are expected to be completed by project implementation start.

79. **Strong World Bank implementation support with knowledge of World Bank procedures unique to countries like Sierra Leone is essential in that it allows for necessary troubleshooting.** There is currently strong technical support from the Bank at the country level providing day-to-day support and guidance. In addition, personnel at headquarters address issues at corporate level as needed and travel to Sierra Leone on a regular basis. It is anticipated that the project will require significant support in the startup phase, particularly as it is the first operation implementing elements of the sector strategy which the Ministry had not done before. The Bank team is, therefore, anticipating more frequent supervision missions and audio and video interactions during the first year of implementation. Support will also be provided to the Government in development of the operations manual and other procedural documents.

80. **The previous ESP did not include a monitoring or reporting mechanism outside of the annual sector review which was too broad to focus on specific targets.** As a result, many of the priorities outlined in the previous ESP were not delivered or reported on and progress could not be measured. Establishing such a mechanism early on in this round will ensure that the MEST and donor partners work together towards the common goals.

IV. IMPLEMENTATION

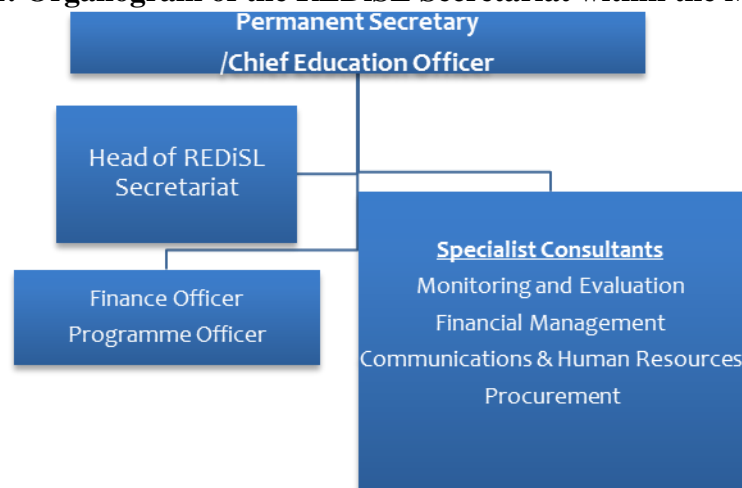
A. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

81. **Education for the most part is under the control of the MEST. However, the management of basic education has been devolved to Local Councils.** As such, since the devolution process initiated by the GoSL in 2004, a growing share of the total education budget has been channeled directly to schools via local governments. By 2010, 10.5 percent of the total public education budget, excluding the external funding of development expenditure, was managed by LCs. Various entities have been involved in financing the education sector: the MEST deals with major recurrent non-salary and development expenditures; the Accountant-General's Department (AGD) of the Ministry of Finance and Economic

Development (MoFED) is in charge of the payroll of civil servants employed in the education sector; and the Local Government Finance Department (LGFD) is responsible for basic non-salary recurrent expenditure as well as some development expenditures for basic schools.

82. **Overall responsibility for the REDiSL Project will lie with the MEST, particularly the Permanent Secretary’s office which will serve as the donor program coordination unit.** Through the CU, the PSs office will be supported technically in order to ensure proper coordination of all donor-funded contributions to the sector, and timely, effective sharing of information and geographical target areas across all donors. In this role, the MEST is expected to oversee, coordinate, and manage all externally funded initiatives, either directly or through partner organizations. Once established, this system will allow the MEST to further streamline donor-funded interventions into its core functions and create cross fertilization of knowledge, particularly in the areas of project management, procurement, FM, and monitoring/reporting. See Chart 1 - proposed organogram.

Chart 1: Organogram of the REDiSL Secretariat within the MEST



83. **The Permanent Secretary’s office has delegated responsibility of the REDiSL operation to the REDiSL Secretariat.** Reporting to the PS, the REDiSL Secretariat will be responsible for overall administration, coordination, monitoring, and evaluation of REDiSL activities. As it will liaise with other directorates within the MEST and coordinate the implementation of activities that are devolved to the LCs or others. In this vein, the Secretariat will ensure eligibility and recruitment, procurement, contracting, and other activities are carried out in accordance with Bank guidelines.

84. **The REDiSL Secretariat, through the PS’s office, will provide reports of project progress and make this available to the Minister and the Education Development Partners.** Although it will provide a unified report, the Secretariat will report separately on the GPE-funded activities, as well as the MDTF funded activities. To function effectively, the REDiSL Secretariat will have at least the following contract officers on hand: (i) Head (Coordinator), (ii) Financial Management (FM) Specialist, (iii) Finance Officer, (iv) Procurement Consultant, (v) M&E Officer, and (vi) Programme Officer. Other functions, including communications and human resources will be carried out by the MEST with support and guidance from the REDiSL Secretariat.

85. **Retroactive Financing.** Retroactive financing not exceeding US\$500,000 will be considered eligible for expenses incurred under all components (except component 1.1 - PBF). Activities funded by the MDTF are eligible for retroactive financing as of December 13, 2013. Activities funded by the GPE are eligible for retroactive financing as of November 19, 2013, the date of Project approval by the GPE Board.

B. RESULTS MONITORING AND EVALUATION

86. **Lessons from the previous EFA-FTI Grant** indicate that quality of learning and teaching improvements as well as growth in enrollment rates are difficult to measure over the limited implementation period of the concessional finance grants. However, specific outputs, namely those indicated in the results framework can be measured during the life of the project. This operation will have a greater-than-normal focus on M&E as it will seek to establish a ministry M&E team within the Directorate of Planning and Policy, to be funded by the MDTF through REDiSL. An M&E Officer will be specifically responsible for reporting on indicators specific to the project. He/She will report to the Director of Planning and Policy as well as the PS to ensure the necessary information is available in a timely fashion and the guidelines/deadlines of the project are met.

87. **Analysis and data from the recently undertaken school census will be available in mid-2014.** It will, therefore, serve as the baseline for the project on most components. School censuses for the following two academic years will be funded by the MDTFE and will provide necessary updates on an annual basis. Data on project indicators will be reported by the REDiSL Secretariat through the PS's office, to whom the Directorate of Planning and Policy also reports. Data collection systems will be strengthened to allow more decentralized data collection and data cleaning at the district level. Monitoring on outputs of specific components (to track intermediate indicators) has been built into the components themselves. Progress made under The Performance-Based School Grants will be monitored by an independent evaluation party that will also assess the effectiveness of activities/component throughout the life of the Project. Assessment of the ECCE interventions will be evaluated separately as noted in the detailed component description. Discussions are underway about the possibility of undertaking an impact evaluation on support provided by the Project in this area. Teachers who participate in the training provided under the reading campaign will be evaluated in terms of their use of the newly acquired training and knowledge in the classroom. To achieve this, an evaluation using questionnaires and in-class observations of a sample of trainees will be carried out.

C. SUSTAINABILITY

88. **This project has been designed by the MEST with technical assistance (TA) from the World Bank and input from the Local Education Group (LEG) comprised of donor partners and NGOs.** Its intended purpose is to support the implementation of specific areas and monitoring of the ESP. Donors have been consulted both during the development of the ESP as well as the REDiSL operation with the aim of ensuring feasibility and coordination of activities. Regular updates on project design, areas of focus, and resource mobilization developments have been shared during the Education Development Partners (EDPs) meetings since April 2013. This has laid the foundation for strong ownership at all levels. The MEST is fully committed to the operation's goals and is working closely with all the districts and at the

school level.

89. Enhanced teaching capacity and improved learning environment of the primary schools will continue to benefit students learning for years to come. Instructional supplementary readers are distributed as re-usable class sets; teacher trainers use new pedagogies and material supports with every new cohort of pre-service teachers. The Department on Higher Education, Science and Technology (HEST) is committed to on-going review of teacher education language arts methods syllabi. However, continuous upgrades in the learning environment will require continued investments. These investments will depend upon the MEST's ability to continue financing the schools and districts in the coming years.

90. The TSC will achieve sustainability in the long term since it will have the capacity (on a consistent basis) to manage / contain teacher costs through periodic verifications of teachers. It is also expected to be run on professional lines where teacher data analytics amongst others will be major inputs in decision making. This will, in the medium-term, generate value for money and contain any increases in teacher management costs which the existing teacher management program is unable to do. Further, the TSC will be sustainable given the Government's commitment to a functioning TSC and its allocation of US\$120,000 in the 2013 budget for the operationalization process and the inclusion of TSC's establishment in the PSRP III (*Agenda for Prosperity*) which underscores the political will and commitment to its sustainability.

91. Supporting the Government in monitoring the ESP and helping the MEST move forward with greater capacity is a critical step towards enhancing the quality of service delivery in the sector. Interventions supported under this project carry some risk, as they require input from various units within the Ministry and in some cases (such as the PBF, TSC, and Learning Assessment interventions) from outside as well. But a cost-benefit analysis has led to the conclusion that the potential benefits outweigh the risks. The Bank has agreed with donors and MEST to support the Government in updating the Capacity Development Strategy to be used as a foundation for the broader areas of focus. The Strategy is already robust, covering fourteen strategic areas, some of which are being addressed. The updated Strategy will provide a concrete, real-time framework to help the CU and MEST identify the priorities vis-à-vis available funds.

92. Given the level of investment for each of the interventions and the Government's capacity to absorb costs in the near future, it is not realistic to expect full financial sustainability of all activities upon project closing. Mezzanine funding and support will be needed in an interim stage before 2017 when the Government is likely to have sufficient resources to carry out the scale up of interventions, particularly those focused on early childhood education, increase funding to schools, and provide more training for teachers through the TSC.

3 KEY RISKS AND MITIGATION MEASURES

A. RISK RATINGS SUMMARY TABLE

Risk Category	Rating
Stakeholder Risk	Moderate
Implementing Agency Risk	
Capacity	Substantial
Governance	Substantial
Project Risk	
Design	Moderate
Social and Environmental	Low
Program and Donor	Low
Delivery Monitoring and Sustainability	Moderate
Other (procurement)	High
Overall Implementation Risk	Substantial

B. OVERALL RISK RATING EXPLANATION

93. **The overall project risk rating is substantial.** This is driven largely by the operating environment whereby capacity within the MEST is very limited in terms of technical skills, established systems, and availability of personnel. This is also the case at the LC and school levels where intensive support will be required for the project to succeed and achieve sustainability.

94. **The performance-based school grants mechanism involves significant risk by nature of design.** The model of providing funds to schools based on pre-set indicators has not been implemented in Bank projects across the continent (though the practice is now widely used in the health sector). To mitigate this risk, ensure credibility of the systems to be established and provide proper incentives for competition, the project will support an independent entity to carry out the validation of information submitted by the schools and districts. The activity will also be phased so as to learn from initial phases of implementation.

95. **The Teaching Service Commission (TSC) has potential political, financial, and operational risks.** Political risks, which stem from concerns that the Government may not be fully committed to the TSC or that the Teachers' Union may not be in favor of the establishment of the TSC, can be mitigated by: (i) the President's directive and the TSC commitment as outlined in the recent PRSP (*Agenda for Prosperity*); (ii) the inclusion of the TSC operationalization in the MEST's performance contract, the provision of funding (US\$120,000) to kick start the process; and (iii) the recruitment process for the TSC Chair position which was initiated in May 2014 in preparation for project implementation. It has been made clear that the TSC will require a competent, results-oriented chair selected through a wide-reaching, open competitive process. Finally, the amount allocated by the GoSL to the operational budget of the TSC needs to be increased significantly in order to be sustainable beyond the three year project cycle. Given the significant resources required beyond the

project life cycle, it should be expected that some donor support will be needed in Phase 2 before the TSC is able to sustain itself with GoSL contributions and self-generated income.

96. Some of the targets identified in the ESP seem ambitious and rely on significant additional resources flowing into the sector from the economic windfall of iron ore. There is nevertheless a chance that these resources may not materialize or the MEST will not have the capacity to move forward with such interventions in time to achieve results as planned. This is a serious risk. Nevertheless, the establishment of the CU will serve as a catalyst for driving change within the system by focusing on service delivery and monitoring of progress. This will enable the MEST and donors to assess progress, and potentially reconfigure investments long before it is too late.

4 APPRAISAL SUMMARY

A. ECONOMIC AND FINANCIAL ANALYSIS

97. The expected economic benefits of the project are associated with: (i) improved learning environment and opportunities in primary and JSS as a result of school grants; (ii) improved access to ECCE in greater human capital (learning) for students having attended pre-primary school; (iii) improved reading achievement, particularly in the early grades of primary school, as a result of the early grade reading campaign, availability of books, and teacher training. Compared with the previous EFA-FTI project in Sierra Leone, the proposed project will have a greater focus on poverty reduction. Several of the proposed interventions (school grants, early childhood education) will be targeted to some of the poorest communities. This is an important step towards greater cost-effectiveness by providing investments where they are mostly needed, and creating the environment for a more equitable education system, an objective in and of itself.

98. In Sierra Leone, GDP has grown an average of 5.2% in the past decade but poverty has only inched downward, declining from 58 percent in 2003 to 48.4 percent in 2010. Poverty remains a rural phenomenon with rates being twice that of urban areas (73.9 vs. 32.7 percent for rural and urban respectively in 2010). Indeed, rural poverty increased from 67.8 percent in 2003 to 73.9 percent in 2010 – a 9.0 percent increase compared to urban 17.7 percent decline. This scenario supports the rationale for the project’s investment in education in the most underserved areas which are also the rural LCs.

99. As is the case in most other countries, the poverty incidence rate in Sierra Leone is correlated to the level of education, i.e. poverty drops with educational attainment. An estimate from the SLIHS of 2011 reveals that about 59 percent of workforce with no education lives below the extreme poverty line compared to 55 percent of those with incomplete primary education, 48 percent of those having completed primary education, and only 19% having completed some post-secondary education (Figure 2). One of the major challenges facing Sierra Leone, therefore, is that currently more than 70 percent of the labor force has no education. For Sierra Leone to pull its population out of extreme poverty and promote broad prosperity and economic growth, investment in education should be a top priority.

Figure 1: Percentage of the population below the extreme poverty line by level of education

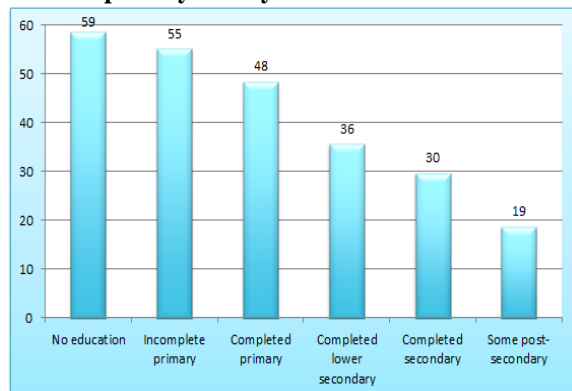
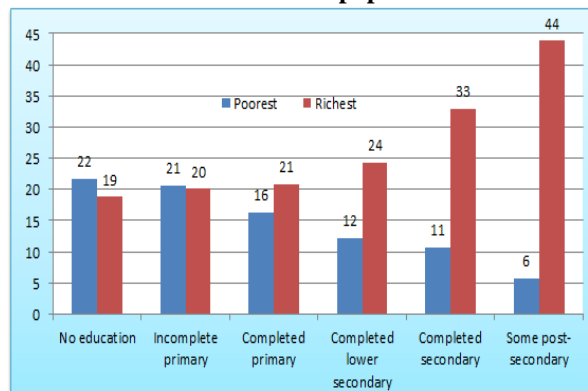


Figure 2: Expenditure quintile by education attainment of the labor force population



Source: SLIHS 2011

100. **Estimates from the 2011 SLIHS show that the Sierra Leone labor market clearly signals for the need to invest in education, due to the wide disparities in wages and household spending by education attainment.** A higher level of education is associated with higher lifetime earnings and spending horizons. Furthermore, education seems to provide entries into more financially lucrative sectors and higher employment status. For instance, estimates from the same survey show wage employment earnings to be 1,008,000 SLL per month compared to 897,000 SLL and 609,000 SLL for self-employment and family farming, respectively. Moreover, individuals wage earnings seems to increase with more education indicating that across the board, the upward trend of income is correlated with level of education.

101. **The cost-benefit analysis results for the base scenario are presented in Table 7.** Both internal rates of return (IRR) and net present value (NPV) of costs and benefits for all components combined show that the project is economically viable. The lower bound of present discounted value of benefits for the overall project is estimated to be US\$60.51 million while the present discounted value of costs is estimated to be US\$37.33 million (calculated as US\$18.70 million project cost and US\$18.63 opportunity/running costs, including other unquantifiable portions). The corresponding NPV of program benefits is US\$22.04 million. The IRR associated with this NPV is 20 percent. Therefore, although some benefits are not fully quantifiable, the NPV from the quantifiable benefits are larger than the NPV costs and this strongly supports investment in the project.

Table 7: Net Present Value (NPV) in millions of USD and Internal Rate of Return (IRR)⁷

	Access and Equity	Quality	School grant	All
IRR	19%	17%	24%	20%
Benefit/cost ratio	2.5	1.3	4.1	1.6
Discounted cost (present value of costs)	\$1.32	\$32.02	\$3.99	\$37.33
<i>Present value of direct project costs</i>	<i>\$.81</i>	<i>\$13.89</i>	<i>\$3.99</i>	<i>\$18.70</i>
<i>Present value of opportunity/other costs</i>	<i>\$.50</i>	<i>\$18.13</i>	<i>\$.00</i>	<i>\$18.63</i>
Present value of incremental benefits	\$3.32	\$40.93	\$16.25	\$60.51
NPV	\$.87	\$8.92	\$12.26	\$22.04

Source: Authors' estimation based on earning estimate using SLIHS 2011 and EMIS data

102. The cost-benefit scenario under the access categories (e.g. access, equity and school grants) reveals justification for investment even when using the most conservative assumptions. The net benefit value ranges from US\$10.00 to US\$94.32 ranging from an IRR of 15 percent (when using the lower bound) to 26 percent (when using the upper bound) at a discount rate of 10 percent. For the quality-related interventions, based on a discount rate of 15 percent and the benefit and cost streams described above, the NPV seems marginal. This is because benefits of some quality aspects are difficult to capture in the economic analysis. Nevertheless, even after discounting for the quality aspects and using the most conservative assumptions, there is economic rationale for investment in the project.

B. TECHNICAL

103. The project is designed to address some of the key issues as they are identified in the ESP, drawing on lessons of the previous EFA-FTI operation, and using an implementation coordination team that is familiar with Ministry and Bank processes and guidelines. Through the MDTF, it is also focused on monitoring progress in the sector against the strategy outlined in the ESP –an element missing from the previous strategy. The objectives and targets as they are laid out in project design have been based on the CSR which was developed in 2011 with guidance and support from donors, including the World Bank. The activities draw on expertise of technical specialists, particularly in the areas of literacy, learning assessment, public service reform, and capacity building who have demonstrated in-depth knowledge of their specific areas as well familiarity with the Sierra Leone country context.

104. Cost estimates and projections for the project were based on current market rates and calculations. Unit costs were calculated with the same tool (costing tables and simulation model) used for the costing of the ESP. The simulation model used for the ESP was discussed extensively with the MoFED to ensure as accurate projections as feasible. Some additional calculations, such as identification of appropriate performance-based rewards under the school grants, and development of the learning assessment, were estimated separately given their absence from the ESP.

⁷ Note: 'Access' includes ECD and teachers training, 'Quality' includes reading books, and capacity building, and also the quality aspect of school grant.

C. FINANCIAL MANAGEMENT

105. **Financial management (FM) arrangements:** As the administrator of the project, the REDiSL Secretariat will directly manage the FM systems (budgeting, accounting, and reporting) for all components of the project except Sub-component 1.1: Performance Based Financing. The grants for this component will be disbursed through MEST against results to be reported by the schools and validated by the SMC, LCs (through DEOs), and an independent entity. The PBF implementation manual provided visual details of the flow of reporting and funds.

106. **The Integrated Financial Management Information System (IFMIS) at the MEST had been down for over one year at time of appraisal, making it difficult for government transactions to be processed through IFMIS.** MEST financial transactions are input into the IFMIS system at the premises of the AGD at the MoFED, requiring five accounts staff of MEST to travel to the AGD on a daily basis to process transactions at great inconvenience. The use of project funds will therefore not be transacted through the GoSL IFMIS until such time that the stability of the system is assured. The project's transactions will be managed through software to be procured by the Project to be used by the Financial Management Specialist. The funds will be disbursed into three segregated designated accounts of the project: one for School grants activities, a second for other activities funded by GPE, and a third for all activities funded by the MDTF. These will be denominated as sub-accounts of the consolidated fund, held with the Bank of Sierra Leone.

107. **Budgeting, accounting and reporting under all components will be carried out under the auspices of the REDiSL as delegated by MEST.** At the end of each reporting period, budget execution reports will be generated from the financial management system and provided to the internal management of MEST for planning and decision making purposes. In addition, interim quarterly unaudited financial reports – IFRs - (comprising, at the minimum: ‘sources and uses of funds according to components and sub-components’, ‘use of funds according to detailed project disbursement sub-categories – goods, works, services’, and ‘use of funds according to project activities’) will be generated from the accounting system, and will be submitted to the internal managements of the Secretariat and the MEST within 30 days of the end of each fiscal quarter. Report-based disbursements, using IFRs (including the ‘procurements subject to prior reviews’ and ‘designated account reconciliation statements’) will be submitted to the Bank within 45 days of the end of each quarter and such a form of report will also serve as the basis for withdrawals from the Bank. The project will apply account classifications consistent with the GoSL Charts of Accounts.

108. **For components 1.1, the funds for school grants will be disbursed to the schools directly from MEST, and the process monitored and verified by the LCs.** It has been discussed and preferred that while LCs will act as purchasers they will not act as fund holders. The MEST will act as fund holder and disburse funds directly into school accounts after a payment advice has been received from the Local Councils with endorsement by the District Education Office [Regulator]. This arrangement is more simple and straight forward. It is advisable that schools open a separate account too for the purpose of the project. In this way there is more administrative clarity, should a school have additional sources of income.

109. **Internal Audit:** The internal audit function over all components of the project will be executed by the staff of the internal audit department assigned to the MEST and the LCs with logistical support provided by the REDiSL Secretariat and the LCs as needed. The internal audit team will proactively review internal control systems to ensure that they are working, ensure there is value for money in project execution, and make recommendations for improvements in internal control. Quarterly internal audit reports shall serve as in-year basis for assessing effective use of resources for purposes of further project fund disbursements.

110. **External audit and independent assurance:** The project annual consolidated **financial** statements shall be prepared under the auspices of the Auditor General's Office and these will be audited as a single set of project financial statements. These annual financial statements of the project will be audited by independent auditors approved by the Audit Service of Sierra Leone (ASSL). The audit will inter alia provide, as part of its scope, an assertion as to whether the project expenditures were eligible and appropriately categorized, and the financial statements give a true and fair representation of the implementation requisites of the project. The audited financial statements along with the audit report will be submitted to the Bank within the Government's legally prescribed submission period of 6 months after the end of the government's fiscal year.

D. PROCUREMENT

111. **An assessment of the project implementation arrangements has been carried out,** focusing particularly on the organizational structure for implementing the project and the interaction between the project's staff that will be responsible for procurement and other entities concerned with the implementation of the project's components. Based on the procurement capacity assessment and the experience on the ground the overall project risk for procurement, before mitigation, is rated 'high'.

112. **The assessment showed, among others, that (i) the MEST has weak procurement experience in World Bank procurement although it had acquired some experience under the previous EFA-FTI project** and the Procurement Committee has some experience with the World Bank procedures; (ii) the MEST Procurement Officer (PO) supporting that committee was only recently appointed to the MEST and has weak experience in procurement in general and no experience and knowledge of the World Bank's procurement procedures; (iii) the procurement unit of the Ministry has inadequate furniture and equipment to support procurement – it has no filing cabinet for archiving documents, no safe for security of procurement documents (particularly the originals of bids and Bank guaranties) and no IT equipment (laptop, printers, copiers, scanners). The assessment noted also that in the last two years the procurement officers of MEST were twice changed/transferred. Given the provision of transfer/rotation of MDAs procurement officers, there is a risk of losing existing procurement staff, once they are trained and reached the level of managing adequately individually the procurements. The same is valid for LCs procurement officers.

113. **The corrective measures, which have been agreed on, include the hiring of a Procurement consultant under the project** for: (i) supporting the REDiSL and where applicable, the LCs in all procurement aspects of civil works and procurement of books and teachers guides, etc.; (ii) training and fostering the capacity of procurement staff in the ministry, who are involved in the project implementation at headquarters and LCs, in World Bank-funded procurement requirements; and (iii) recruiting a procurement specialist to

support the project if deemed by the Bank that the consultant alone is not able to handle all the activities under the MDTF supported components.

114. Procurement activities under the project will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011, "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011, and "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006, as revised in January 2011, as well as the provisions stipulated in the Grant Agreement.

115. **The Procurement Plan (PP) is described in Annex 6.** The final version of this procurement plan was discussed and approved on July 2, 2014 as a lead up to negotiations. During project implementation, the Procurement Plan will be updated by agreement between the project team and the Bank as required, and a summary will be disclosed on the Bank's external website – a practice common in World Bank supported operations. The PP includes the procurable items in the related activities under the respective components of the project that could be identified upfront. Individual contracts to be financed under Sub-Component 1.1 (if any procurements), which are mostly demand driven, are not known yet and will be identified for each year independently by each of the participating schools after preparing their annual work plans for each specific year.

E. SOCIAL

116. **The REDiSL is not expected to impact any change in social status quo** as land acquisition is not expected under any of the components supported by the project. School grants and early childhood education interventions are expected to support existing schools and will not delve into areas of establishing new schools given the low amounts of funds going to individual communities.

117. **The project is expected to have a positive social impact.** By design, the project activities are expected to target about 900,000 students (50 percent of whom are female) at the lower levels of primary education. In addition, PBF (component 1.1) and ECCE (component 1.2) aim at focusing attention on schools located in the poorest districts in each of the country's four regions. Such targeting is aimed at supporting school children who would otherwise not have the opportunity of improving or even going to school with the right supportive educational systems so that there will be improvement at the individual, institutional, community and systemic level which will have further transformative impact and also ensure that deprived districts are supported to improve quality of education, access and equity. The structures of these activities are not only gender sensitive but also sensitive to other vulnerable groups. In spite of the gender focus of the targeting, additional measures will be put in place to actualize built-in gender sensitive actions of the project during implementation with concrete activities including gender disaggregated data on all activities like beneficiaries of teacher training and content of training among others.

118. **Accountability and transparency will be factored into project implementation from both the supply side and the demand side.** The built-in monitoring mechanism offers opportunity for supply-side accountability and transparency. This is also supported by

demand-side accountability systems where beneficiaries of the project activities and NGOs can agree to demand accountability and transparency from project implementers as a way of ensuring mutual commitment towards achieving project objectives. This could be done through the involvement of the SMCs in the interventions funded under the school grants, early childhood education, and reading campaign components. This is particularly important since part of the project's aim is to improve management of education service delivery through improved monitoring and reporting. Other forms of third party monitoring with or without ICT platforms may also be employed. The combined impact from the social and the governance focus of the project should have a positive, social impact which can have other positive unintended short, medium and long term effects at the individual, household, community, institutional and sector levels.

119. On safeguards, the proposed project activities do not appear to trigger the Involuntary Resettlement Policy (4.12). This is because project activities will not involve land acquisition, and thus are not expected to negatively impact livelihoods or restriction of access and disturbances that may lead to resettlement or relocation. Minor works on existing school structures may be required but these are very much contained within the school compounds (a requirement for selection of schools to benefit from the early childhood education component will be to have available land on school grounds that can be used to build a single classroom if needed). They are, therefore, not likely to lead to displacement or any form of resettlement and disturbances. The project does not envisage a change in this level of minor works. However, in case of any changes beyond these minor works, (since the use of the grant is not predetermined in spite of the negative list) which may entail involuntary resettlement, the Bank will be informed and proper assessment will be done and the policy will be triggered and the appropriate instruments will be prepared and disclosed.

F. ENVIRONMENT

120. The REDiSL triggers OP/BP 4.01 (environmental safeguards) based on the potential that some components may involve minor construction or rehabilitation (1.1 school grants and 1.2 early childhood education). Otherwise, the project is not expected to impact any change in social or environmental status quo. An environmental safeguards management framework (ESMF) has been developed, disclosed and shared with the World Bank. During implementation, environmental safeguards will be handled by the M&E team of the Operation and will be reviewed during supervision missions to ensure compliance with the ESMF.

121. No other safeguard policies are triggered at this time.

ANNEX 1: RESULTS FRAMEWORK AND MONITORING

REVITALIZING EDUCATION DEVELOPMENT IN SIERRA LEONE (REDISL) PROJECT

Results Framework

Project Development Objectives

PDO Statement

The Education Sector Plan (ESP) has identified three strategic objectives under which the Ministry of Education, Science, and Technology (MEST) will move forward with interventions: (i) access, equity and completion; (ii) quality and learning outcomes; and (iii) systems strengthening. The Project Development Objective is to improve the learning environment in targeted schools and establish systems for monitoring of education interventions and outcomes. To do this, the Project will finance elements of the ESP that deliver intermediate results while simultaneously addressing critical issues in the system to build the foundation for better management and efficiency within the sector.

These results are at | Project Level

Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values			
		YR1	YR2	YR3	End Target
Percentage of schools that meet 60% of performance targets (Percentage)	0.00	0.00	50.00	85.00	85.00
% of trained teachers using improved reading methods (Percentage)	0.00	40.00	60.00	70.00	70.00
TSC policy and guidelines for teacher management in use (Yes/No)	No	Yes	Yes	Yes	Yes

Direct project beneficiaries (Number) - (Core)	0.00	0.00	0.00	900,000	900,000
Female beneficiaries (Percentage - Sub-Type: Supplemental) - (Core)	0.00	0.00	0.00	50.0	50.0
Number of donors working with Ministry through coordinating unit (Number)	1.00	2.00	2.00	5.00	5.00

Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values			
		YR1	YR2	YR3	End Target
Number of primary schools implementing grants through the project (Number)	0.00	288.00	576.00	960.00	960.00
Number of pre-primary schools established under the project (Number)	0.00	10.00	30.00	50.00	50.00
% of targeted schools that received reading books through the project (Percentage)	0.00	40.00	100.00	100.00	100.00
Number of trained teachers	0.00	900.00	2400.00	4500.00	4500.00

under the project (components 1.2 and 1.3) (Number)					
Organogram of the TSC approved (Yes/No)	No	Yes		Yes	Yes
Guidelines for licensing and registration of teachers developed (Yes/No)	No			Yes	Yes
Transfer of teacher records from MEST to TSC (Yes/No)	No			Yes	Yes
Learning assessment implemented (Yes/No)	No			Yes	Yes
Report on ESP (Yes/No)	Yes	Yes	Yes	Yes	Yes

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Percentage of schools that meet 60% of performance targets	The school grants will be awarded to targeted schools contingent upon achievement of a number of agreed set of results from a menu of options. These would include student attendance, teacher attendance, school operational (opening) days, public display of phase I funds' use, public display of school improvement plans, minutes from School Management Committee meetings, and will be reported on by district inspectorates but verified through unannounced spot checking by an independent entity.	Annual	Reported on by District Inspectorates, verified through independent entity	MEST
% of trained teachers using improved reading methods	No description provided.	Year 3	Independent Study	MEST
TSC policy and guidelines for teacher	No description provided.	Year 3	Independent verification	TSC/MEST

management in use				
Direct project beneficiaries	Direct beneficiaries are people or groups who directly derive benefits from an intervention (i.e., children who benefit from an immunization program; families that have a new piped water connection). Please note that this indicator requires supplemental information.	Year 3	MEST	Project reporting
Female beneficiaries	Based on the assessment and definition of direct project beneficiaries, specify what percentage of the beneficiaries are female.	Year 3	Project reporting	MEST
Number of donors working with Ministry through coordinating unit	No description provided.	No description provided.	MEST	No description provided.

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Number of primary schools implementing grants through the project	No description provided.	Annual	Grant completion reports	MEST

Number of pre-primary schools established under the project	No description provided.	Annual	Project reporting	MEST
% of targeted schools that received reading books through the project	No description provided.	Year 1	Independent Study	MEST
Number of trained teachers under the project	The training will include training to teachers for reading materials (4200) and training for early childhood teachers and caregivers (300).	Annual	Training report	MEST
Organogram of the TSC approved	No description provided.	Year 1	Independent Verification	TSC/MEST
Guidelines for licensing and registration of teachers developed	No description provided.	Year 3	Independent Verification	MEST
Transfer of teacher records from MEST to TSC	No description provided.	Year 3	Project Reporting/TSC	MEST
Learning assessment implemented	No description provided.	Year 3	Project Reporting	MEST
Report on ESP	No description provided.	Annual	Project Reporting	MEST

ANNEX 2: DETAILED PROJECT DESCRIPTION

Revitalizing Education Development in Sierra Leone (REDiSL) Project

1. **The proposed operation is funded by a \$17.9 million grant from the Global Partnership for Education and \$5.5 grant from DFID through a MDTF.** It is based on the priority areas identified in the Sierra Leone ESP (2013-2018), endorsed by the local donor group in August, 2013. The operation is expected to be effective in 2014 and complete implementation in early 2017. Interventions have been designed with this in mind. The project consists of 3 major components: (i) improving the learning environment and opportunities in targeted areas; (ii) strengthening education service delivery; and (iii) project management and supervision.

Component 1 – Improving the Learning Environment and Opportunities in Targeted Areas (\$16 million)

1.1 Performance-based School Grants (\$5.1 million)

2. The objective of the school grants is to target resources to primary schools and junior secondary schools in select districts (4) and encourage efforts at local level to improve teaching and learning environment, reduce cost of schooling for parents, and support capacity development and strengthening for systems for planning, budgeting, and reporting in the education sector.

3. Through this component, the REDiSL would also further support the decentralization of education service delivery by involving Local Councils and District inspectorates in the oversight. It would finance school grants in select lower income communities based on the information provided in the Household Survey of 2011 and school census (see table below).

4. The performance-based school grants will support delivery of education services, obtain reliable data at schools, and build a results-focus culture in the education sector by creating the necessary incentives. The systems and processes for administering grants to schools already exists in Sierra Leone through the school fee-subsidies - an input-based grant that is provided to primary schools based on enrolment data. Primary schools receive Le 5000 per each student enrolled (equivalent to about US\$1.2). However, this amount is not enough to provide quality improvements in schools, and it usually reaches the school very late.

5. The school grant will be provided to primary and junior secondary schools in four pilot LCs in three regions. The LCs will be selected based on criteria defined by MEST, taking into account poverty profile and the educational profile of councils. Councils at the bottom of the profile will be selected.

Table 2.1 Local Councils Ranked by Education Profile and Poverty (1: Best-Performer and 20: Weakest-Performer)

Local Councils	% of pop. below poverty line	Net primary enrolment (NER)	Gross Primary enrolment ratio (GER)	Grade 1 net intake ratio	% of out-of-school children	% of primary repeaters	Class size	% of schools require repair	Student teacher ratio	% of qualified teachers	% of trained teachers	Rank score
Kenema District	18	20	19	20	20	12	16	5	9	18	18	175
Kambia	12	17	18	19	19	19	17	7	20	15	11	174
Tonkolili	20	15	14	4	16	11	12	17	8	19	19	155
Pujehun	10	14	10	17	17	9	19	14	17	16	12	155
Bonthe District	9	16	3	16	14	7	7	18	19	20	20	149
Koinadugu	8	18	17	15	15	2	5	19	18	17	15	149
Moyamba	17	11	6	9	13	20	20	12	10	14	13	145
Kailahun	11	12	15	18	12	18	15	6	15	11	9	142
Kono	14	19	11	6	18	8	11	8	14	12	16	137
<i>Sierra Leone</i>	<i>13</i>	<i>13</i>	<i>7</i>	<i>12</i>	<i>11</i>	<i>13</i>	<i>10</i>	<i>15</i>	<i>12</i>	<i>13</i>	<i>10</i>	129
Port Loko	15	10	13	7	10	16	6	16	16	7	8	124
Bombali	19	9	1	8	9	17	8	11	11	9	17	119
Bo District	16	6	12	3	8	15	4	20	7	10	5	106
Koidu City	4	8	5	10	7	3	13	10	13	8	7	88
Bonthe City	6	7	20	11	2	14	1	3	1	5	14	84
Western Rural	5	5	2	14	6	4	3	9	6	6	6	66
Kenema City	7	3	8	13	1	5	14	4	2	3	3	63
Bo City	2	1	16	2	3	6	9	13	3	2	2	59
Makeni City	1	2	9	1	4	10	18	1	5	1	1	53
Freetown City	3	4	4	5	5	1	2	2	4	4	4	38

Implementation Arrangements

6. The key functions in a PBF system are the following:

Financer - Provides the funds for a particular intervention that is carried out using the PBF approach. The Government of Sierra Leone, specifically the Ministry of Education, to serve as Financier of the PBF funds to schools.

Regulator - Develops policies and oversees implementation. The regulator instructs the development of the guiding documents and tools used to implement the PBF system. The regulator also provides technical oversight and supervision throughout the design, implementation and evaluation of a PBF intervention. At the national level the regulator is the **Ministry of Education, Science and Technology**. At the district level the **District Education Office** is the implementing arm of the Ministry and hence can be considered to assume regulatory responsibilities at district level.

7. The responsibilities will be entrusted to the Directorate of the Inspectorate because of their core function of supervising schools. The Directorate may delegate day-to-day responsibility to the REDiSL Secretariat, at least for the initiation of the project. Under the project, a technical focal person will be recruited to coordinate the many activities involved in this approach.

8. A major role will be entrusted to the National Performance-Based School Grants Steering Committee, which will provide oversight and leadership to the performance-based school grants project. For efficiency reasons the National Steering Committee may be a sub-committee of the committee that is entrusted with providing oversight to the overall REDiSL project or the committee that is tasked with providing leadership to ESP implementation.

9. At the district/council level, all districts participating in the performance-based school grants project district steering committees will have to be formed before schools are selected in those districts. These district steering committees will have tasks and responsibilities that mirror those of the national steering committee. For obvious reasons the district committees will be more engaged with project implementation, but will primarily oversee implementation of the school grant project at the district level and are not expected to discuss issues related to each separately contracted school.

Fund holder / purchaser - manages the PBF funds. The fund holder / purchaser contracts the service providers to provide a pre-determined set of services against a monetary benefit, appraises (verifies actual and reported services) the services the contracted service providers have delivered and disburses the funds according to the contracted PBF agreement. In most countries fund holders and purchasers are entities with the government system; in some countries purchasing functions have been entrusted to independent entities, such as NGOs, who are contracted through tender processes. At the national level the fund holder will be the Ministry of Education, Science and Technology.

10. At the district level the purchaser roles⁸ will be entrusted to District Education Offices in districts who will liaise with the Local Council for verification and the MEST for disbursement. One of the most prominent tasks of a District Education Office is to install provisions that allow for adequate verification of the performance of the schools in quantity and quality terms. It will have to organize and conduct inspection/supervision visits and verification of data presented by the schools for performance payment. One model to be explored is the collaboration with donor partners initiative of Cluster Monitoring which is under implementation in the same areas and involves inspections on a minimum frequency of once per month (quality assessment and performance scores) and supervision as often is warranted for improvement of the school's performance.

11. Considering the fact that this is a crucial element in any performance-based financing arrangement, this will be subjected to a performance contract that will provide financial support for LCs and DEO staff carrying out supervision and verification duties against stated

⁸ In this instance, "purchaser" refers to the entity paying for units of service provided by the schools, i.e. allocating grants based on performance. It is not a purchaser in the procurement sense.

norms. Omission to carry out verification will automatically lead to non-payment of performance-grant to a school, so the stakes for the district education office as well as the school with which an agreement has been reached are high but resources have been allocated within the project to ensure they are well prepared.

12. The aforementioned district steering committee will provide overall guidance and will perform tasks such as endorsing contracts, disbursement of payments, etc.

13. The Local Council, District Education Office and schools to be enrolled in the project will sign (tripartite) agreements that describe the mutual responsibilities, conditions that are to be met, etc., by the entities mentioned. In brief these encompass the following:

Service provider - delivers the services desired by the fund/holder / purchaser. These services are basically outputs, i.e. units of services that can be measured in quantity and quality terms. It is also feasible to determine outcome variables for purchasing. In the Performance-Based School Grants, the service providers are primary schools and junior secondary schools that will be enrolled in the project after they meet basic eligibility and quality criteria.

Independent verification agency - i.e. an external organization (community organization, civil society or private sector, or a combination) which is tasked with the independent verification and validation of the PBF data to ensure the integrity of the system.

14. Under the Performance-Based School Grants, schools will receive incentive payments based on a mechanism that starts with self-reporting of scores against identified service indicators. Consequently schools may be tempted to misreport their achievements in pursuit of higher benefits. The need for preserving the integrity of the project and the performance-based approach is paramount. Similarly the need to preserve the integrity of the main actors in the project is paramount; individually and collectively they will provide sufficient checks and balances. The verification exercise to be performed by the Local Council and the District Education Office will certainly assist in tracing and correcting mistakes made by the school. However, this may still not be sufficient as it may create opportunities for producing favorable outcomes. In order to ensure maximum integrity of the system, there is need for an independent verification (counter-verification) by an entity that has no stake in the service payments.

15. The main responsibility of the CSO is to verify and validate services declared by the provider (school) by scrutinizing records and verifying with facts collected from the community and/or individuals (pupils, students) benefiting from the services provided. CSOs should also be attentive for any perverse effects that can be associated with the performance-based school grants projects, and particularly with the indicators used and the way they are measured. (See also footnote to Ch. 5.3.3). It is essential to establish firm engagement with the community, cultivating community interest in and responsibility for the performance of the school that is serving their community. Hence training of SMCs will be essential. SMCs associated with the Performance Based Financing (PBF) initiative in the targeted four districts will be trained in order to enhance the local capacity to validate and monitor the outputs expected. Their training will be over a brief period (3 days) and will include: school

records management, drawing up of school development plans, finance and budget including financial reporting, data collection and management, and monitoring and supervision of the utilization of school grants.

16. Additionally, CSOs will be required to install adequate countervailing arrangements at the local level and interact with the School Management Committee (SMC), Mother's clubs (if present), school prefects in JSS, etc.

17. A baseline assessment will be conducted in eligible LCs to ascertain the current status of schools. The results of the baseline may lead to changes in the design of the scheme, in particular, the targets for each indicator. The independent contractor will be secured using the relevant procurement guidelines. MEST will hire a consultant, knowledgeable in performance-based financing to help with an operational manual for the school grants component.

Table 2.2: Rank at Local Council Level based on Chieftdom Ranking

Local Council	Data											Rank Score (1: best - 20: weakest)											
	% of pop. below poverty line	Net primary enrolment (NER)	Gross Primary enrolment ratio (GER)	Grade 1 net intake ratio	% of out-of-school children	% of primary repeaters	Class size	% of schools require repair	Student teacher ratio	% of qualified teachers	% of trained teachers	% of population below poverty line	Net primary enrolment (NER)	Gross Primary enrolment ratio (GER)	Grade 1 net intake ratio	% of out-of-school children	% of primary repeaters	Class size	% of schools require repair	Student teacher ratio	% of qualified teachers	% of trained teachers	Rank score
Kenema	74	0.48	0.9	0.19	46.0	14.3	61	53	34	38	39	18	20	19	20	20	12	16	5	9	18	18	175
Kambia	56	0.53	0.9	0.21	43.0	17.1	62	55	44	45	43	12	17	18	19	19	17	7	20	15	11	174	
Tonkolili	77	0.56	1.0	0.36	39.3	14.0	58	69	33	36	32	20	15	14	4	16	11	12	17	8	19	19	155
Pujehun	52	0.57	1.1	0.24	41.9	13.6	68	61	42	45	42	10	14	10	17	17	9	19	14	17	16	12	155
Bonthe	51	0.55	1.6	0.25	38.6	13.1	53	75	44	30	28	9	16	3	16	14	7	7	18	19	20	20	149
Koinadugu	51	0.52	0.9	0.25	38.6	10.1	46	75	43	43	41	8	18	17	15	15	2	5	19	18	17	15	149
Moyamba	67	0.63	1.2	0.34	35.0	18.9	77	60	35	47	42	17	11	6	9	13	20	20	12	10	14	13	145
Kailahun	55	0.60	1.0	0.23	34.8	16.8	60	53	41	49	50	11	12	15	18	12	18	15	6	15	11	9	142
Kono	63	0.49	1.1	0.35	42.3	13.6	57	55	40	48	41	14	19	11	6	18	8	11	8	14	12	16	137
Sierra Leone	60	0.59	1.2	0.31	34.8	14.5	56	61	37	48	45	13	13	7	12	11	13	10	15	12	13	10	129
Port Loko	65	0.64	1.0	0.35	32.2	15.5	51	63	42	56	52	15	10	13	7	10	16	6	16	16	7	8	124
Bombali	75	0.65	1.9	0.35	31.4	16.7	54	59	37	50	39	19	9	1	8	9	17	8	11	11	9	17	119
Bo	66	0.69	1.1	0.49	26.9	15.0	45	76	33	49	56	16	6	12	3	8	15	4	20	7	10	5	106
Koidu New	47	0.66	1.3	0.33	21.7	10.3	58	59	38	54	52	4	8	5	10	7	3	13	10	13	8	7	88
Bonthe City	51	0.68	0.9	0.33	7.6	15.0	32	47	19	64	41	6	7	20	11	2	14	1	3	1	5	14	84
Western Rural	48	0.70	1.7	0.26	19.4	10.9	45	56	31	59	54	5	5	2	14	6	4	3	9	6	6	6	66
Kenema City	51	0.77	1.2	0.29	6.4	11.1	60	51	24	81	80	7	3	8	13	1	5	14	4	2	3	3	63
Bo City	25	0.85	1.0	0.64	9.0	12.6	56	61	25	86	89	2	1	16	2	3	6	9	13	3	2	2	59
Makeni City	9	0.81	1.1	0.67	10.8	14.0	64	37	30	96	90	1	2	9	1	4	10	18	1	5	1	1	53
Freetown	26	0.76	1.5	0.36	11.7	9.4	37	40	26	80	73	3	4	4	5	5	1	2	2	4	4	4	38

18. For the sake of the project, simple output indicators have been selected that are measurable in a fairly simple manner. In an ideal situation: (i) schools should be open on all schooling days according to the school calendar as approved by MEST before any academic year, (ii) teachers should be present in the class as per duty roster, and (iii) children should be in class for full days with adequate measures in place to reduce absenteeism and school drop-outs.

Table 2.3: Indicators to measure school performance

	Indicator name	Definition of unit of service	Maximum per term⁹	Price per unit of service
1	School opening days	the school is open on all days in a particular week as per roster	13 units	Fixed price per week the school is open (usually 5 days, at times less due to e.g. public holidays)
2	Teachers in class	# of teachers providing class on all days in a week as per duty roster	13 units times number of teachers attached to school	Fixed price per teacher who was present in class on all days as per duty roster
3	Students in class	Lowest # of students attending class on any day (morning or afternoon) of the week	13 units times number of students enrolled in school	Fixed price per child per week (differentiated per class, gender and per category of school)

19. In addition to the output indicators, a number of quality indicators will be included. These will be derived from the cluster monitoring tool that is currently in use in cluster districts. They include maintenance of teacher records at the school, adherence to standard school opening times, payment of teachers on time, effective follow up plan for absenteeism of students, etc.

20. In order to ensure that the funds/grants allocated are spent meeting the principles of economy and efficiency and subsequently the schools are building/improving their procurement capacity and practices, the schools receiving grants shall have adopted, been trained on and use the School Procurement Guideline/Manual that the project will develop before disbursement under Performance-based School Grants component.

21. The Performance-Based School Grants project has been designed in a number of phases and stages. Starting in a phased manner allows for gradual learning, testing a first version of the Operations Manual and further improving on it based on experiences during trainings and use, developing formats for sensitization and capacity building exercises, etc. In subsequent phases the work can be done more swiftly benefiting from the pioneering work undertaken in the initial stages of phase one.

⁹ The above rests on the assumption that a term has 13 weeks of schooling. If some terms have more weeks of operation than other terms then the number of 13 may have to be differentiated.

1.2 Piloting approaches to increase school readiness (\$1 million)

22. Currently, with just 14 percent of children age 3-5 enrolled in ECCE, the system is reaching children from higher income families located in urban areas. Low-cost, high-quality models are needed to reach the population more equitably. An analysis of children around the age of primary school entry indicates that 25 percent of five year-olds are enrolled in grade 1 in Sierra Leone, despite the official entry age of 6. This indicates a demand from parents to enroll children from a younger age. This high number of under-age children enrolled in Grade 1 is problematic for several reasons. The 5 year olds being enrolled into primary school early are being educated in inappropriate settings, rather than a more age-appropriate child-friendly environment that will help them prepare to transition into primary school and arrive ready to learn. Under-age children in the classroom also impact the learning experience of children who have entered on-time, which makes the teacher's job more difficult and can damage outcomes for all children.

23. This subcomponent is expected to serve as a catalyst for other partners who are considering support to pre-primary education in the medium term. In that context, it is intended to support the Government of Sierra Leone in developing a simple model of pre-primary classrooms attached to Government primary schools and Community Learning Centers (CLCs). These classrooms will be equipped with age-appropriate teaching and learning materials and teachers will be given training in child development. There may also be minor physical infrastructure improvements to make the pre-primary classroom space available in selected schools. These classrooms will serve as more effective learning spaces for 5 year old children to develop, learn and prepare to succeed upon entry to primary school. It is estimated that 50 pre-primary classrooms will be established and monitored to evaluate quality and impact (approximately 30 classrooms will be attached to Government pre-primary schools and 20 classrooms will be operated in existing CLCs). Funding would be distributed to the Government schools using the same School Grants mechanisms described in Component 1.1; this will allow for greater ease of implementation and monitoring. Criteria used to select the 50 participating schools/centers include: existing adequate space to house pre-primary classroom; ability and space for latrine for young children; number of under-age children currently enrolled in Grade 1; established School Management Committee; ability to recruit ECCE teachers/caregivers; and, willingness of School Administrator to establish preschool classroom.

24. Establishment of pre-primary classrooms. Research on existing pre-primary education models and costing implications is currently underway in Sierra Leone. The project will implement and evaluate a cost-effective model of pre-primary service delivery applicable to Sierra Leone's urban and rural community needs. A piloting of this model would be implemented with the aim of identifying how models can be scaled up at a later stage, pending results of a rigorous evaluation (evaluation will be conducted with additional external funding beyond REDiSL). The outcome expected through this intervention is identifying mechanisms for potential expansion of preschool enrollment nationwide.

25. The project would support the establishment of approximately 50 pre-primary classrooms attached to either existing Government supported schools or in existing CLCs. These are conservative estimates of classrooms to be established due to budget constraints;

should the construction/rehabilitation turn out to be less costly than currently estimated and/or additional external funding become available the numbers of classrooms to be established can be raised. Given the complexities of construction in Sierra Leone, local firms will be hired to do the work and the management will be done by LCs. The project would provide funding for trained personnel (monthly stipends will be paid using project funds) and age-appropriate teaching and learning materials to provide children with high-quality, developmentally appropriate early childhood education.

26. Training for ECCE teachers and caregivers. Currently, there is no specific training curriculum or certification for ECCE within Sierra Leone. This results either in TC-certified primary school teachers teaching in preschool classrooms or unqualified teachers. The model of using TC-certified teachers for ECCE in Sierra Leone is too expensive and too time-intensive and results in high levels of unqualified teachers teaching young children. A new approach to teacher and caregiver training for ECCE that provides effective pre-service and in-service training for ECCE purposes will be developed by a local consultant to be hired by the project (by adapting existing models being used by local organizations, including the Nursery Schools Association and Catholic Missions). Teachers and caregivers that will be teaching in the 50 schools covered under Component 1 will be trained. Additionally, the curriculum will be shared with teacher training colleges to help students considering specializing in pre-primary care become better prepared for their role.

27. The simplified model is expected to provide approximately 3 weeks of pre-service training and ongoing in-service training during the school year and mentoring (another 4 weeks of in-service training and ongoing mentoring and support). Models of good quality teacher training exist, along with materials, so an expected minimal amount of technical assistance will be needed to adapt and implement. There is a vibrant NGO presence that has been operating preschools in Sierra Leone for decades, though largely targeting children from higher socioeconomic status. Short duration trainings for ECCE have been developed by the Catholic Missions Association and the Nursery Schools Association, which provide the bulk of ECCE in the country. Good practice from the region (especially from Kenya and Liberia) will be used to adapt current training models to design a pre-service and in-service program that will provide teachers with the skills and knowledge they need to effectively educate young children. Training will be done regionally through a cascade model. Building on the experience of this training implementation, a new approach to ECCE teacher and caregiver training will be proposed for consideration by the Government that will allow a path to certification for unqualified teachers through ongoing training and teaching.

28. Building Capacity of MEST to Ensure Quality of ECCE Service Provision. Currently the capacity of the MEST to ensure quality of ECCE is limited; this is due to staffing and resource constraints, as well as a lack of established administrative guidelines and procedures to promote and enforce quality. The establishment of Minimum Quality Standards for ECCE would help promote quality provision of ECCE across the country. These Minimum Standards would be applied to the 50 pre-primary classrooms and ECCE centers being supported by the project.

29. Technical assistance in the form of an early childhood education consultant will be

contracted to work with Ministry staff to develop Minimum Quality Standards and a proposed monitoring and enforcement system, aligned to local education officers' existing responsibilities. This will include limited regional training for local education officers and staff and school managers on early childhood development and support for quality ECCE.

1.3 Strengthening reading outcomes at early grades (\$6.9 million)

30. Primary intervention under this sub-component, linked to the ESP pillar of addressing quality in the education sector, is a national comprehensive reading program focused on getting books to schools, teachers trained to guide reading, and students learning to read.

31. Reading books for primary classes (1-3) and relevant learning materials. The REDiSL would finance the authorship, production, and distribution of approximately 1.9 million reading books for grades 1-3 for all government-assisted and community schools throughout the country. This would be an approximate ratio of 2 books per student but the books are small and intended to be used by multiple students over the year (on a check-in/check-out process). They are designed with simple, level, and context relevant material to help students make the connection between letter and word. There will also be a reading support packet that includes charts of grade-level readings including poems, songs, short stories, etc. The books would complement the current syllabus and would be selected based on age-appropriateness, literary value, and potential appeal to students. Teachers and students are expected to use the books as tools for reading aloud, storytelling, literary games, and individual silent reading. Grade-level language art tools and teaching support packets would also be distributed to classrooms.

32. The MEST is expected to conduct an assessment of its book distribution chain, a consultancy funded by DFID and managed by UNICEF. This study will identify streamlined distribution channels and simplified procurement methods that should enable the MEST to procure books in a reasonable timeframe to enable delivery to schools by start of school year. To the extent that they are available at implementation, the Project will use the recommendations of the study to ensure distribution of books is in line with the Ministry's strategy. Barring that, the Project has allocated resources to allow distribution of books through the local councils, similar to the process followed under the previous EFA/FTI project.¹⁰

33. Grade-level reading campaign. The project will support the roll out of a reading campaign using multiple channels. At the community level, there would be Talking Drum Studio stories about the challenges ahead for a child who does not learn to read; why learning to read matters. At the national level, SLBC will be approached to carry bi-monthly interviews and presentations about the importance of literacy and the ways in which parents and schools work for children's success together. At the school level, the SMCs would be asked to create regular slots for learning about literacy using proposed topics such as "importance of learning to read", "why do we want our children to be able to read", and "how children learn to read". Schools can also hold short story telling or make alphabet books with help from teachers.

¹⁰ Note: a physical sample prototype of the supplementary reading books is available for review upon request.

34. Training and equipping of teachers. The project will provide funding of training to enhance early primary school teacher's capacity to teach reading. This includes national curriculum guided lesson planning supports, pedagogical strategies and materials, as well as scope and sequence lists. Initial results of a pilot training currently under implementation show positive increases in teacher's skills and student's knowledge. The training will be carried to about 10 percent of the primary schools teaching workforce (about 4200 teachers over the three years).

35. Training of trainers. The project would support the development of a strong cohort of approximately 50 teacher educator /workshop instructors and mentors that would carry out an average 6 trainings to about 240 teachers throughout the duration of the project cycle. The Training of Trainer workshops are to include the District Education Office Supervisor and Inspector of schools to support implementation of pedagogies and related book use. They should also include representation from all Teacher Education College Language Arts Departments to support feed back into pre-service primary teacher training.

36. Training of teachers. During the life of the project, this would cover approximately 20 percent of the primary level teaching workforce (about 7600 teachers, 25% of whom are female). Priority could be given to teachers serving grades 1-3, particularly those who have not had training in past 5 years. The training would need to be designed to serve teachers of all capacities as 48% of those teaching at the primary level are considered unqualified per the CSR analysis.

37. Headmaster/mistress training. Training of approximately 1200 school heads (20% of primarily schools) on the benefits of the reading program as well as ways of expanding use of reading books and learning materials outside the classroom. These trainings would also include teacher educators involved in delivering the current pre-service teacher training curriculum.

38. Manuals to accompany support packets. Grade level manuals include copies of the texts, the scope and sequence of their use and model lesson plans that include pre-reading and oral activities for scaffolded comprehension, support for mother tongue use and other local environmentally available means to increase social-cognitive engagement with texts, guided phonics instruction, guide for appropriately related writing response and writing practices related to the readings, among other things.

39. A guide to accompany readers. A TEACHER-COPY of the children's literature will include: texts to be in one (bound) grade-level guide that offers a scope and sequence for readings, pre-reading activities for each reader (scaffolding that includes connecting readers to reading), discussion topics and guides to develop oral interactions for comprehension and extensions, vocabulary teaching (choices) and support for instructional strategies, potential syntax practice, response activities: writing, community action, art, drama, cross curricular potentials.

40. Remainder of funds budgeted under this component will be allocated to evaluation of activities and contingency due to fluctuating prices of book publishing and training of teachers.

1.4 Improvements in teacher management (US\$ 3 million)

41. Since 2003, the Government of Sierra Leone has put significant effort into updating and improving the public service sector. The governance framework of the Public Sector Reform Program of 2008 was another step in this process, clarifying the roles of Ministries as being: (i) formulation of sector strategies and plans; (ii) coordination of the preparation of sector budgets; and (iii) monitoring and evaluation of sector plan implementation outcomes. To address the role of policy implementation, Sierra Leone has since 2008 enacted a number of laws for the establishment of Commissions, among them: the Teaching Service Commission, the Local Government Service Commission, and the Judicial Service Commission.

42. The Government has mobilized resources (within the context of PSRP) both internally and externally to operationalize these Commissions. The European Union is to support the operationalization of the Judicial Service Commission Act and to a lesser extent operationalization of the Local Government Service Commission Act. For the TSC, the equivalent of US\$120,000 has been earmarked in the sector's budget to support the establishment of the Commission. While this emphasizes the Government's effort to move forward, the funding falls short of what is needed at this stage. Given the Global Partnership for Education's focus on strengthening systems and policies for better accountability for learning outcomes, the proposed project is therefore well placed to support the operationalizing of the TSC Act.

43. Implementing the main elements of the Teaching Services Commission Act entails: (a) making the Commissioners operationally functional; (b) building the capacity of the Commission's implementation arm, the Secretariat and; (c) supporting its operations to deliver on its mandates. In this context, during the three-year implementation of the project the TSC will be supported in the following areas:

- (a) Making the Commission operationally functional entails providing adequate infrastructure (furnished and meeting space) for the full time Commissioners and the Staff of the Secretariat; identification and financing of orientation programs to equip the Commissioners with the knowledge and skills required of them to deliver on their mandates as per the Act in the following areas:
 - 1. Advising the Minister on pre-school training of teachers/programs for the training of non-professional Teachers in the service, etc.
 - 2. Providing guidance/approval of policy guidelines on core areas: registration, licensing and professional standards; recruitment/ placement/ transfer/ promotion and managing teacher employer relationships.
 - 3. Providing supervisory oversight to the Executive Secretary and his/her team responsible for implementation of the Commission's mandate.

4. Supporting the development of the vision, mission, values, and rules of conduct for the TSC and their institutionalization. This would be done through financing of technical assistance consultancies, workshops, focus group meetings, retreats, etc.
 5. Financing capacity building activities for the core members of the Commission (e.g. study tours, etc.).
 6. Assisting the Commissioners in developing a collective work plan for the first year of operation and relevant management briefs on the improvements to the Act.
 7. Supporting administrative costs of Commission members related to duties carried out for the TSC. This may include salary of chair, full time commissioners, and allowances as deemed necessary.
- (b) building the capacity of the Commission's implementation arm, the Secretariat
1. *Staffing at headquarters:* Recruitment/placement and payment of personal emoluments for staff at the headquarters in four operating units as per the Commission's mandates: *registration, licensing and professional standards; recruitment/ placement/ transfer and promotion; managing teacher employer relationships and policy/planning/budgeting/ monitoring* plus support services including accounting/procurement/human resources/IT etc.
 2. *Staffing at the District level:* It is envisaged that staff currently working on Teacher Management issues within MEST at the district level will be assigned to the TSC with their salaries. It is anticipated that the project will recruit and place and pay the personal emoluments of 1/2 person(s) for each of the 14 districts with specialized skills as IT etc. These are to be located within the District Education Offices (DEOs). The assigned staff and the recruited staff will collaborate with the DEO staff on the TSC's work related to:
 - Registering and licensing of teachers within the district.
 - Recruitment/placement/transfer/promotion of teachers within the district.
 - Facilitation of the professional development of teachers within the district.
 - Collection of information for the upgrading/maintenance of Teacher Record Management System at the central and district level.
 3. *Staff training:* Staff both at the central and district levels will be provided with relevant orientation and training to allow them to carry out their role and develop and execute effective workplans.
 4. *Tools/systems and processes:* Technical assistance will be provided for the development of: (i) policy guidelines/manuals in the four mandate areas; (ii) a manual for district operations; (iii) studies into streamlining the processes for district teacher records and payroll management; (iv) and alignment of roles for the district stakeholders - head teachers/principals, education committees of district councils, education secretaries etc. in decentralized teacher management.

5. *Teachers record and payroll management system:* Development and maintenance of up-to date information on the number, qualifications, distribution etc. of the teachers, building on the existing Teachers Record Management System and Processes which will contribute to efficient management of the teacher payroll system. Specifically, utilizing / undertaking the following:
 - Learning lessons from the methodology and processes of the 2012 Teacher Verification Exercise.
 - Using the lessons learnt plus EMIS processes and outcomes to develop a robust and cost-effective Teachers Record Management System.
 - Providing the e-infrastructure for the management of the system at both the district and central levels – software, computers, printers, scanners etc.
 - Training staff both at the district and central levels for the management of the system.
 - Developing/implementing a framework for deriving Teacher Management Analytics for decision making.
 - Training the Commissioners, central and district level staff in the use of the Teacher Management Analytics in decision making.
 - Building a WAN platform to link TSC to the Accountant General to enable TSC undertake electronic amendments to the payroll system on a timely basis and training of staff in their use.

 6. *Public Relations/Communications Strategy:* The nature, scope, functions and the service delivery model of the TSC will have to be made known to the public, especially the key stakeholders/collaborators in the delivery of education services in the country. The project will support the design and implementation of a communications strategy which may include use of media, internet, and social tools.

 7. *Vehicles/Equipment:* Financing of operational travel into the districts by headquarters staff, and school visits by district staff. Supporting administration costs related to photocopying, scanning, communications, email, etc.
- (c) Supporting operations to deliver on mandates means the the project will provide funds to cover operational costs both at the district and headquarters. Major operational costs to be covered include: utilities, internet/intranet and website maintenance, travel and transport, meetings and workshops, fuel costs associated with operational travel, and other administration expenses.

Component 2 - Strengthen education service delivery (\$5.0 million)

2.1 Building the foundation for better measurement of learning outcomes (US\$ 0.5 million).

44. In Sierra Leone, the assessment of learning that has been carried out to date has focused exclusively on early grade reading and involved a very limited sample of students. The results showed many characteristics of students' capabilities, but also showed that there is an urgent need for learning assessments of nationally representative samples to be carried

out at multiple levels and involving more than reading. The previous EFA-FTI operation supported the development of a national assessment policy framework, including a draft instrument for piloting and training of personnel in test item writing. These items will provide the feedstock for a proposed initial assessment of reading and mathematics at grade 5.¹¹ It is recommended that this assessment be repeated on a two-year cycle until the capacity is institutionalized. The proposed grade 4 assessment would provide a baseline against which the impact of the various measures can be judged.

2.2 Establish robust consistent school data collection (US\$ 1.0 million).

45. To address data collection in the short term and ensure consistent reporting, the REDiSL will support the Ministry with the annual school census. As such, it will build on the system already in existence to support carrying out the census during the academic schools years of the project cycle. Some funding will be used to help the ministry streamline the annual census to a shorter version administered in off-years.

46. In addition, the REDiSL will help the MEST establish a sustainable system for data collection and analysis within the Directorate of Planning and Policy. In this context, it will help establish a technical data collection and M&E team in the Directorate of Planning and Policy to allow for sustainable, credible monitoring of the ESP. It will also cover the infrastructure enhancement required for decentralization of data collection and cleanup of data at the district levels where real-time validation is more feasible. It will also support the development of an M&E needs assessment and plan to lay the foundation for better data collection and reporting. In increasing the personnel and infrastructure capacity of this team, the MEST can be expected to deliver reliable, timely, reporting on the REDiSL indicators as well as the sector as a whole, allowing the Government and partners to track progress on the ESP.

2.3 Establishing a system for driving and monitoring the implementation of the Education Sector Strategy (\$3.5 million).

47. A key lesson from the implementation of the last ESP is that setting up systems and processes for delivering and monitoring key outcomes will be critical to improving performance. To support the Minister and Ministry to bring about desired improvements in education and to monitor and evaluate the ESP, the REDiSL will help support a “change unit” (CU) within the MEST. The CU will be a temporary entity providing coordination and short-term technical assistance to the MEST in order to deliver on the following: improved education service delivery –monitoring and supervision (learning assessment); a more effective and efficient education system able to better serve national needs; technical / professional staff positions in MEST filled by competent and committed individuals; quality development and monitoring of plans, policies and strategies; improved policies and practices that are regularly reviewed and updated; reduced external technical support needs; reduced disparities (socio-economic, gender, geographical, physiological) in access to education; more informed public of education in Sierra Leone.

¹¹ UNICEF is working with the MEST to execute an EGRA/EGMA type assessment at grades 2 and 4. As a result, it was agreed that the initial assessment to be carried out by MEST under the REDiSL operation would be at grade 5.

48. The CU will engage the CEO directly on all professional/technical matters, and will raise issues/seek guidance from the Minister as needed on critical matters. Where there is no appropriate directorate or official/consultant to be the reporting officer, the CU will be accountable for activities and deliverables to the PS. Where there is an appropriate directorate and official/consultant to be the reporting officer they will be accountable to the PS for the activities and deliverables. It will be the responsibility of the CU to support the reporting officer to plan (and include this in the MEST annual operational plan), execute and produce the relevant resources to enable the successful completion of activities and achievement of the deliverables.

Component 3 – Project management and supervision (\$0.9 million)

2.1 Project management and supervision

49. A key lesson from the previous EFA-FTI operation and other programs is that setting up systems to monitor project activities is essential to measuring results of the operation and the ESP. Technical assistance to the MEST is being provided by donor partners on improving data collection and management. The project would complement these activities by providing support for the upgrade of the supervision mechanism, financial audits, qualitative audits, and impact evaluations. To achieve this, the project will provide technical assistance to the MEST, TSC, and Local Councils to undertake M&E activities with the aim of ensuring information flows to all parties (students, communities, and educators) and enforces accountability. In addition, the project would use the 2013 school census for the baseline. During implementation, the project will provide funding for the necessary elements required to move to a short de-centralized questionnaire for the school census, adding any indicators that will be relevant for monitoring purposes of the project. Interim reporting will be required from district inspectorates in districts targeted under specific components and will be built and supported under this component.

50. This component will also provide the necessary funding for the operations of the project implementation unit to be housed within the MEST. In addition to funding the administrative costs associated with implementation of the components above, it will also support capacity building, particularly at the decentralized levels, of fiduciary management, procurement, and auditing, among others.

51. Table 2.4: Detailed Project Costs

REDISL Project Cost calculations (GPE and MDTF Financing)		Budget Scenario as of May 2014 (US\$)			
Subcomponent	Description	Quantity	unit cost	total cost	% Project costs
Improving Learning Environment (funded by GPE)					
<u>1.1 school grants</u>	Primary receiving Rd 1 funding	1200	\$1,000	\$1,200,000	
	JSS receiving rd 1 funding	150	\$1,000	\$150,000	
	Primary schools that get rd 2 funding (base)	1200	\$500	\$600,000	
	Primary schools that get rd 2 funding RBF	1000	\$1,000	\$1,000,000	
	JSS that get rd 2 funding(base)	150	\$500	\$75,000	
	JSS that get rd 2 funding RBF	75	\$1,600	\$120,000	
	Primary schools that get rd 3 funding	30	\$2,000	\$60,000	
	JSS that get rd 3 funding	16	\$2,500	\$40,000	
	Local Council involvement	1	\$100,000	\$100,000	
	Third party monitoring and verification	1	\$290,000	\$290,000	
	TA to local councils and schools for sensitization	1	\$100,000	\$100,000	
	Baseline	1	\$100,000	\$100,000	
	Contingency to cover fluctation in schools	1	\$165,000	\$165,000	
	SMC training	1200	\$949.71	\$1,139,647	
Total School grants				\$5,139,647	22%
<u>1.2 Early childhood</u>	classrooms constructed/furnished (using avg unit cost from ESP across 2012-2016)	30	\$13,737	\$412,124	
	Classrooms rehabilitated/furnished	20	\$5,500	\$110,000	
	Latrines	50	\$2,000	\$100,000	
	Minimum design standards	1	\$18,000	\$18,000	
	teacher stipends (per class)	50	\$2,715	\$135,750	
	Teaching/learning materials	50	\$375	\$18,750	
	Curriculum	1	\$18,000	\$18,000	
	Training Dvlpt and TOT	1	\$50,000	\$50,000	
	Teacher training	300	\$350	\$105,000	
	MEST Coordination and policy development	1	\$41,000	\$41,000	
Total Early Childhood				\$1,008,624	4%
<u>1.3 Early Grade Reading Program</u>					
	Authorship and development of 6-8 titles	1	\$ 50,000	\$ 50,000	
	Production and distribution of reading books (2 per student classes 1-3)	1,946,077	\$2	\$3,892,154	
	Teacher guides (1 per 60 books)	32435	\$6	\$194,608	
	Classroom support packets (1 per 60 books)	32435	\$10	\$324,346	
	Book distribution by local councils	19	\$10,000	\$190,000	
	Nat. Reading campaign -SLBC talk shows	1	\$80,000	\$80,000	
	District reading campaign organized by local councils	19	\$5,500	\$104,500	
	Teacher training -10% of 38K teachers in primary	4200	\$395	\$1,660,435	
	evaluation/monitoring of teachers (in-class observations)	1	\$165,000	\$165,000	
	Consultancy - Teacher Training (TOT, guidebooks)	1	\$150,000	\$150,000	
	Brailled Books for Sight-Impaired (2 per student)	1000	\$45	\$45,000	
Total Early Grade Reading				\$6,856,043	29%
<u>1.4 TSC establishment</u>		1	\$3,000,000	\$3,000,000	
Total TSC Establishment				\$3,000,000	13%
Total for Component 1: Improving Learning Environment (funded by GPE)				\$16,004,314	

Component 2: Strengthening Systems (funded by the MDTF)					
2.1 Learning Assessment		1	\$500,000	\$500,000	
2.2 Data collection and analysis -sector	census and M&E unit and system	1	\$1,000,000	\$1,000,000	
2.3 Driving and Monitoring the ESP implementation					
	Monitoring and reviewing the ESP, enhance capacity, disseminate information, and improved decentralized efficiency	1	\$3,500,000	\$3,500,000	
Total Systems Strengthening				\$5,000,000	21%
Total for Component 2: Strengthening Systems (funded by MDTF)				\$5,000,000	
Component 3: Project Management and Monitoring (funded by GPE)					
Supervision/Monitoring	observations or partial funding for impact evaluations	1	\$300,000	\$300,000	
Project Management		1	\$643,000	\$643,000	
Total Project Management and Monitoring				\$943,000	4%
Total for Component 3: Project Management and Monitoring (funded by GPE)				\$943,000	
UNALLOCATED	From GPE	1	\$952,686	\$952,686	6%
	From MDTF	1	\$500,000	\$500,000	
TOTAL PROJECT COSTS				\$23,400,000	

Detailed costs of Project Management are available upon request.

ANNEX 3: IMPLEMENTATION ARRANGEMENTS

Revitalizing Education Development in Sierra Leone (REDiSL) Project

1. **In the formal education sector, the provision of education, from pre-primary to tertiary, is provided by government as well as nongovernment providers.** Nevertheless, all services fall under the mandate of the Ministry of Education, Science and Technology (MEST). Basic Education specifically rests with the Ministry of Local Government as well. Since 2004, various entities have been involved in financing the education sector: the Ministry of Education, Science and Technology (MEST) deals with major recurrent non-salary and development expenditures; the Accountant-General's Department (AGD) of the Ministry of Finance (MoFED) is in charge of the payroll of civil servants employed in the education sector; and the Local Government Finance Department (LGFD) is responsible for basic non-salary recurrent expenditure as well as some development expenditures for basic schools.

2. **Overall responsibility for the REDiSL Project will lie with the Ministry of Education, Science and Technology.** According to the laws of Sierra Leone, the Ministry of Education, Science and Technology has overall responsibility for education. By law as well, the management of basic education has been devolved to Local Councils. Therefore the implementation of the majority of components for the REDiSL Project will be done by Local Councils, supported by other agencies that provide technical support to Councils, in particular, the District Education Office (DEO) and the LGFD.

3. **As the devolution process has progressed, a growing share of functions formerly performed by the MEST has devolved to Councils.** By 2010, 10.5 percent of the total public education budget was managed by Local Councils (LCs). Each LC has an Education Committee that works closely with the staff of the DEO. The staff in LCs include: Chief Administrator, Monitoring and Evaluation Officers, Procurement Officers, Civil Engineers, and Finance Officers. Decentralization of education preceded the devolution act and so all districts¹² have a district education office, which is headed by a Deputy Director of Education (DDE). The DEOs are staffed by education professionals as supervisors and inspectors. Though the supervision role has been devolved to Council by law, the process is not complete as supervisors are still paid by MEST. However, in principle, the district education supervisors are the education professionals for the Council. The LGFD and the Decentralization Secretariat provide technical support to the LCs. The former in the area of financial management and the latter in the areas of public administration.

4. **At the central level, the Permanent Secretary's office, responsible for the coordination of all donor-funded interventions will have responsibility for project management and oversight of the REDiSL program.** They will be responsible for overall administration, coordination, monitoring, and evaluation of project activities. The PS may delegate duties to the REDiSL Secretariat who will provide reports of project progress and

¹²There is a 1-1 relationship between district and councils, except in a few cases where large towns or cities form their own municipality. For e.g. Bo District is split into Bo District Council and Bo City Council; Kenema District is split into Kenema City Council and Kenema District Council, etc.

make this available to the Minister and the Education Development Partners.

5. **The Education Development Partners Group will provide technical support to the REDiSL Project as needed.** Reports on progress of implementation will be presented to the group during its bi-monthly meetings, and they will help resolve technical issues or bottlenecks as necessary.

6. **The implementation arrangements of specific components are outlined below.** To the extent it is feasible and in line with World Bank guidelines and rules, the interventions have been designed to benefit from the use of country systems.

Component 1: Improving the learning environment and opportunities in targeted areas

1.1 School Grants.

7. The project will be implemented jointly by MEST (Inspectorate and Planning Directorates), Local Councils (LCs), Schools, and District Education Offices (DEOs). MEST will provide general oversight and policy guidelines. LCs, with technical support from the DEOs and LGFD, will be responsible for the administration of the grants – funds transfer, monitoring of schools, data collection, etc. Schools will have the flexibility to use the resources so as to deliver on targets. There will also be an independent validation agency that will be responsible for verifying data and process. Technical support will be provided to all of these entities to ensure efficiency in implementation, flow of funds, and monitoring/reporting.

8. The money for school grants will be disbursed by MEST to school bank accounts once results are verified by the LCs. The LCs will set up a committee to review school grant applications and ensure compliance at all phases. This committee will have a minimum of 5 and a maximum of 7 members representing Council, DEO, Paramount Chief, NGOs, and Civil Society Organizations. The committee will select schools on the basis of agreed criteria and grants will be transferred to the school bank accounts. The LC and the DEO will be responsible for monitoring of the implementation of the school plans. Schools will be responsible for the effective execution of the grants (procurement) and must report to the Councils on the proper use of funds received.

9. A baseline assessment will be collected in schools in targeted districts before start of activities to ensure baseline figures for each indicator, and help the project set targets.

10. In short, these are the implementation arrangements:

- MEST (Central) [Fund holder]: Develops policy and oversees its implementation. Develops the guiding documents and tools. Provides technical oversight and supervision. Contracts services of an independent evaluator to verify data submitted.
- Local Councils and MEST DEO [Regulator]: Develops and monitors contracts with schools. Provide verification on results by schools.
- Schools: Receive grants and use according to guidelines. Provide timely reports.
- Independent Evaluation: Provides independent verification of the data.

1.2 Piloting approaches to increase school readiness

11. The MEST will be responsible for developing a minimum standards document, and will work through existing teacher training institutions to develop and roll-out the training for local caregivers. The MEST, with input from LCs and DEOs will be responsible for selecting communities who meet the agreed criteria, and for monitoring the implementation of the pilot project. The contracting of local firms for the construction/rehabilitation of classrooms will be done by the Project procurement team and the process will be managed by the respective LC and monitored by MEST. Internal Evaluators will partner with a local research organization (independent or within academic institutions) to evaluate the pilot and additional external funding has been requested by the World Bank team to conduct an impact evaluation of the ECCE activities of the project. A focal point will be identified within the Ministry to coordinate these activities and other interventions that address pre-primary education, by this project and others. This will avoid potential duplication of efforts (programmatically and geographically). The REDiSL will support consultancies to work with the Ministry on development of minimum standards in construction and curriculum and provision of age-ready materials to the targeted schools/community centers.

1.3 Strengthening reading outcomes at early grades

12. Reading books for primary classes (1-3) and relevant learning materials. MEST will be responsible for procuring books and TLM and delivering them to LCs. The LCs will be responsible for delivering materials to the school. Bottlenecks in this process should be identified in the next few months and therefore, this proposed distribution process may be modified slightly if there are opportunities to increase efficiency and reduce the cost of distribution.

13. Grade-level reading campaign. MEST will be responsible for the overall national campaign, but will work closely with the LCs for the organization of district specific campaigns.

14. Training for teachers of early primary grades. MEST will coordinate the training for teachers of early primary grades using existing teacher training institutions. Selection of teachers to be trained will be done in consultations with DEOs and LCs.

1.4 Improvements in teacher management

15. MEST will be responsible for this component, with input from various other MDAs and from LCs. Upon establishment of the TSC, responsibility for teacher management will be transferred to the Commission.

Component 2: Strengthening Education Service Delivery

2.1. Building the foundation for better measurement of learning outcomes

16. The project will support the establishment of a unit under the Planning and Policy directorate of MEST to take responsibility for the learning assessment. Statistics Sierra Leone or another entity to be decided on by the Ministry with experience in this area will be responsible for the operational aspects while this unit would carry out the coordination of the learning assessment as a whole.

2.2 Improving data gathering (school census)

17. The MEST Directorate of Planning and Policy, which currently administers the school census, will take the lead on coordinating the decentralization of the 2014 census, working closely with the Inspectorate and the LCs. The ESP will support the Directorate of Planning and Policy by managing any procurement required. The Secretariat will also report on progress of this activity.

2.3 Establishing a system for driving and monitoring the implementation of the Education Sector Strategy

18. The Change Unit (CU) will be a temporary entity established to support the Minister and Ministry to bring about desired improvements in education with a focus on the goals and targets spelt out in the ESP. In this regard, the CU will work closely with all MEST directorates and other entities but in particular the Planning and Policy Directorate. The reporting line for the CU is to and through the Permanent Secretary (PS) even though direct access to the Minister will be possible on request and/or the specific invitation of the Minister. All professional matters will be minuted to the Chief Education Officer (CEO) through the PS. Notwithstanding the foregoing official reporting line, the CU will engage the CEO directly on all professional/technical matters. The deliverables of the Change Unit (in the form of a matrix of detailed activities and associated budget allocations) have been discussed with the World Bank and the MDTF donor, DFID and are available upon request.

19. Where there is no appropriate directorate or official/consultant to be the reporting officer, the CU will be accountable for activities and deliverables to the PS. Where there is an appropriate directorate and official/consultant to be the reporting officer they will be accountable to the PS for the activities and deliverables. It will be the responsibility of the Change Unit to support the reporting officer to plan (and include this in the MEST annual operational plan), execute and produce the relevant resources to enable the successful completion of activities and achievement of the deliverables. The roles needed for the Change Unit to operate include: (1) Change Leader; (2) Capacity Development Coordinator; (3) Data Analysts; (4) M&E Specialist. The unit will also be able to hire technical consultants as needed.

20. The activities of the Change Unit include: (a) articulating the goals of the education sector (b) defining the reform strategy, (c) setting targets, (d) developing (or refining)

implementation plans, (e) building capacity of the system actors to deliver on their plans, (f) conducting analysis on the current state of education delivery and identify bottlenecks; (g) providing coaching and management support to those responsible for implementation, (h) ensuring the right data is collected to provide evidence on performance of the system, (i) providing regular reports on the state of implementation to the Minister and senior management, (j) providing regular feedback to all actors within the system as to their performance, and (k) identifying problems and providing solutions.

21. The MDTF will also support the establishment of a system for the coordination of donor interventions. This may involve enhancing the capacity of the Permanent Secretary's team who are responsible for this role in the interim. This capacity enhancement may include administrative and operational support to manage projects funded or implemented by the MEST or in collaboration with partners.

Component 3 Project Management and Supervision

3.1 Project Management and Supervision

22. As described above, the REDiSL Secretariat will be responsible for project management, monitoring, and supervision. The Planning Directorate will conduct a yearly school census to provide the data needed for monitoring progress on the plan. In addition, the Secretariat and the Change Unit will organize an Annual Sector Review to provide all stakeholders updates on the progress of ESP implementation.

Financial Management

23. **A Financial Management assessment of the original Education Sector Plan (ESP) Secretariat of the Ministry of Education, Science and Technology was carried out in line with FM Practices Manual** issued by the Financial Management Sector Board on March 1, 2010. The objective of the assessment was to determine: (a) whether the agencies have adequate financial management arrangements to ensure project funds will be used for purposes intended in an efficient and economical way; (b) the project's financial reports will be prepared in an accurate, reliable and timely manner; and (c) the entities' assets will be safe guarded.

24. **The assessment of the financial management arrangements at the REDiSL Secretariat (the anchor point for managing the overall FM arrangements under the project) concludes that there are adequate systems in place that satisfy the Bank's minimum requirements under OP/BP10.00.** The overall FM risk for the project at preparation is assessed as 'substantial', but with the expected risk mitigation measures incorporated including the banking arrangements, the residual FM risk is rated as 'moderate'. The new structure (team embedded in MEST) will follow the same systems and have the same staff, but with additional capacity.

25. **Implementation Arrangements:** The project will be implemented under three components. While component 1.1 will be implemented under the operational auspices of the LGFD in association with the Local Councils, components 1.2 to 3 will be implemented under the coordination auspices of the REDiSL Secretariat of the MEST, acting in collaboration with the Local Councils.

26. **Project Financial Management:** Project management and coordination including financial management would largely rely on existing GoSL institutions and structures and technical capacities of the MEST. With the current staffing level including a Financial Management Specialist and Finance Officer, and with support from a short term incremental qualified accountant who would help in designing the books of accounts, the financial management arrangements would be incrementally robust. The assessment took note of the adequacy and competence of the staff that were since recruited under the closed EFA-FTI project and who already have vast experience in managing the World Bank financed projects.

27. **Country Issues:** Considerable analytical work in the area of PFM has been conducted with the support of development partners in Sierra Leone during the past several years. Key amongst these were the PEFA PFM assessments of 2007, 2007 procurement audit, the 2004 HIPC AAP, the 2004 and 2010 PER, the 2002 Country Financial Accountability Assessment, the corruption surveys from 2000 and 2002, IMF Fiscal Affairs Department Reviews, 2010 Review of the GBAA and FAR, and Advancing Public Financial Management Reforms (IMF, April 2011).

28. **A PEFA PFM assessment (2010) for both the central and local governments was successfully carried out** to update the status of performance since the last PEFA assessment of 2007. The results of the assessment indicate major improvements in the PFM systems and processes in Sierra Leone (both at the central and local government levels) compared to the 2007 assessment, and point to a trajectory of continuing PFM improvements in the future as a result of the reforms currently underway and supported by development partners. The reports on central government and LCs highlight that, despite inherent weaknesses and fiscal management issues that are yet to be fully managed, Sierra Leone is positioning itself and committed to confronting the challenges in the PFM reform arena.

29. **Key PFM reforms are currently being supported under the Bank's Integrated PFM Reform Project (IPFMRP) which is at the end of final year of implementation, covering the entire expenditure planning, management, and oversight cycle.** A new PFM improvement and consolidation project (to be financed by IDA, AfDB, and an MDTF) is under preparation and will further support the strengthening of PFM systems across both the central and local governments. While the pace of reforms had been slow, the government however embraced fundamental reforms as recommended in the analytical work carried out since the CFAA of 2002 including: the adoption and implementation of a number of core institutional, legal and regulatory framework for PFM (the enactment of Financial Administration Regulations (FMR), 2007; Government Budgeting and Accountability Act (GBAA), 2005; National Revenue Authority Act (NRAA), 2003; Local Government Act, 2004; and Public Procurement Act, 2004). Embarking on a wide ranging set of reforms has meant that the Government was and remains committed to enhancing its accountability

framework, notwithstanding some few legal inconsistencies that are yet to be fully addressed in the laws and some remaining challenges in accountability and oversight.

30. **Other concrete improvements in the area of PFM have been realized in the following important areas:** (a) capacity building of sector ministry staff on strategic planning and budgeting is being strengthened; (b) the annual budgets of the government are published and are publicly available; (c) budget execution and in-year financial reporting has been given prime attention by the sector ministries and the AGD with the consequence that all Ministries' expenditures are transacted under a methodical work-flow process through the Integrated Financial Management Information System, and monthly financial statements (excluding self-accounting subvented agencies) are produced by the AGD for informed fiscal decision making; (d) expenditure commitment control is applied for transacting government expenditures in central government; (e) annual financial statements are drafted and submitted for audit within the legal timeframe of 3 months after the end of the fiscal year – this practice having been in place for the last four fiscal years already; (f) financial statements are prepared on cash basis consistent with International Public Sector Accounting Standards (IPSAS), barring conformance deficiencies with the requirements for 'consolidation' and inclusion of 'third party transactions'; (g) despite their current weak staffing and other related capacities, internal audit functions have been established in MDAs and in all local Councils to support the systemic checks and controls across government entities; and (h) despite a weakness in the Law that requires the audit report to be submitted to the legislature by December—i.e. 12 months after the fiscal year to which it relates - elimination of backlogs in rendering audit reports to the Public Accounts Committee has been achieved, as the latest audit report (2011), was submitted to the Committee since December 2012 and the Committee's deliberations on the report is ongoing.

31. **Project Risk Assessment and Mitigation:** The overall risk as well as the mitigation measures has been reflected under the ORAF (Annex 4). The financial management risks have been rated as 'moderate'.

32. **Strengths and weaknesses of the Financial Management System:** The project's financial management arrangements, using country systems, will rely to the largest extent on the adoption of and reliance on the established systems then in use under the EFT-FTI operation that has now closed. The systems used by the EFT-FTI were considered adequate and satisfactory, and the key strengths include an understanding of the Bank policies and procedures and also the financial management challenges and risk factors at both the national and sub-national levels. Setting up a new set of books for this operation would however require the procurement of proper software and some training in its use, to help the REDiSL Secretariat staff during the first 3 months of project implementation.

33. **Time Bound Action Plan:** The action plan below indicates the actions to be taken for the project to address the weaknesses that have been identified to ensure the FM system is robust and strengthened.

Table 3.1: Action Plan

Action	Date due by	Responsible
Identify a professionally qualified accountant to help set up a complete set of accounting books for the new project.	By negotiations - completed	REDiSL Secretariat
Identify appropriate software for use in Project Accounting	By negotiations - completed	REDiSL Secretariat
Agree on formats and content of IFRs for all levels of implementation	By negotiations - completed	REDiSL Secretariat

34. The implementation of the project’s financial management arrangements will be complemented by adhering to the policies, rules and procedures as stated in the manuals for school grants and district operations to be developed for the proposed operation.

35. A summary of the key findings of the financial management assessment as well as the FM arrangements under the project is presented as follows:

1. Budgeting Arrangements

36. Budgeting for all components except 1.1 will be carried out consistent with the GoSL budget preparation guidelines as outlined in the Government Budgeting and Accountability Act, 2005 and the Annual Budget Circular issued by the by the MoFED. The budgets will be translated into Annual Work Plans (AWP) and their implementation monitored accordingly. To ensure effective monitoring, the project budgets shall be incorporated into the quarterly interim un-audited financial statement for comparison with actual expenditure on a quarterly basis.

2. Accounting Arrangements

37. Accounting for project funds will be managed by the REDiSL Secretariat Senior Financial Management Specialist. Subsidiary accounting for component 1.1 (School Grants) will be carried out by the LGFD but the responsibility for consolidation of all project accounts will fall under the auspices of the REDiSL Secretariat that would have overall responsibility for the fiduciary aspects of the project’s implementation.. The existing FM arrangements for managing the school grants under component 1.1 would remain applicable under the project, albeit using the revised performance-based criteria. In the absence of a GoSL IFMIS as the tool for accounting, the project will procure financial management software suitable for its accounting purposes.

3. Internal Controls and Internal Auditing

38. With adequate internal audit functions already established at the MEST and the LCs, the internal audits under the project will be carried out by the assigned staff. The project’s

internal controls systems will, to a large extent, rely on the government established accounting and internal control guidelines as documented in the GoSL Financial Management Regulations (2007), and the Internal Audit Manual of the MoFED. The MoFED has a functioning Internal Audit Unit (IAU) headed by a Director, who is responsible for ensuring compliance with established internal control procedures and processes that ensure that transactions are approved by appropriate personnel and ensure segregation of duties between approval, execution, accounting and reporting functions. The unit will carry out periodic checks. The role of internal audit will not be limited to transaction reviews but will add value to the overall control environment.

4. Funds Flow and Disbursement Arrangements

39. The proposed financing instrument is an investment project financing operation, funded by GPE, in an amount estimated at US\$17.9 million and by DFID in an estimated amount of \$5.5 million.

40. As there will be two separate implementing agencies, from a fiduciary perspective, involved in the implementation of the project, separate flow of funds arrangements and designated accounts will be used to accommodate the project. To facilitate funds flow from the Bank to the GoSL, implementation will be financed through three Designated Accounts (DAs) as follows:

41. Designated Account - The First **US\$ Designated Account to be managed by the REDiSL Secretariat** will receive funds for components 1.2 to 3, amounting to \$12.8 million. The designated account will be opened with the Bank of Sierra Leone (BoSL) and managed centrally by the MEST Banking and payment processing will be managed centrally by the Secretariat in order to ensure adequate control and financial monitoring of project activities. As alluded to above, this Designated Account will be used to finance activities under all components except component 1.1 (school grants) and 2.4 (monitoring implementation of ESP), and the authorized signatories for the Designated Account will be consistent with the GoSL signatory protocol. There will also be established a local currency account (subordinated to the US Dollar Account) to receive transfers to that account for purposes of disbursing local currencies for project implementation activities. The Second US\$ Designated Account, to be implemented under the auspices of the MEST, will receive the school grants' funds in the total amount of \$5.1 million to finance the activities under component 1.1. The banking arrangements and expenditure processes will follow those described for the First Designated Account. A third account will be established and managed by the REDiSL Secretariat. This account will finance activities identified in the PAD as supported by the MDTF, currently financed by DFID (\$5.5 million).

42. **Disbursement Categories and Use of Funds:** Proceeds of the facility will be used for eligible expenditures as defined in the Grant Agreement. There will be two disbursement categories: One will be for 'goods, consultancy services, non-consultancy services, training, and operating costs' and will represent funds allocated to components 1.2 to 3; the other will be for school grants under component 1.1. The disbursement categories are designed to allow flexibility and are based on the project components and sub-components.

Table 3.2: Disbursement Categories and Source of Funds

Category	Amount of Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)	Source of Funds
(1) Performance-Based School Grants under Component 1.1 of the Project	3,245,000	100%	GPE
(2) Goods, works, non-consulting services, consultants' services, Training and Operating Costs under Component 1.2, 1.3, 1.4 and Component 4 of the Project	13,702,000	100%	GPE
(3) Goods, works, non-consulting services, consultants' services, Training and Operating Costs under Part 2 of the Project	5,000,000	100%	MDTF
(4) Unallocated	1,453,000	100%	GPE (\$953,000) MDTF (\$500,000)
TOTAL AMOUNT	23,400,00		

43. Based on the assessment of financial management, the proceeds of the Grant will be disbursed to the project using report based disbursement (Interim Unaudited Financial Reports) arrangement. An initial advance will be provided to the respective designated accounts, based on a forecast of expenditures against their respective components and disbursement category for the first six months. The forecast will be based on the annual work plans that will be provided to the Bank and cleared by the task team leader prior to implementation. Subsequent replenishments of the DA would be done quarterly, based on the net cash requirements for subsequent 6 months, linked to approved annual work plans and supported by Interim Financial Reports (IFRs), and on duly approved withdrawal applications. The supporting documentation will be retained for review by the Bank missions and external auditors. Additional instructions for disbursements will be provided in the Disbursement Letter.

44. **Retroactive Financing** – Retroactive financing not exceeding US\$500,000 will be considered eligible for expenses incurred under all categories, except category 1. For activities funded by GPE, retroactive financing begins November 19, 2013 – date of GPE Board approval. For MDTF funded activities, retroactive financing begins December 13, 2013 – date of MDTF Administrative Agreement.

5. Financial Reporting Arrangements

45. The project, through the REDiSL Secretariat, will be required to prepare and submit to the Bank quarterly Interim Unaudited Financial Reports (IFRs) to account for activities funded under the project. IFRs for the project are expected to be submitted to the Bank not later than 45 days after the end of each fiscal quarter. These reports must cover all funds received for the project as a whole (separated by source) as well as any government (counterpart) funds (if any) received under the project. The financial reports will be designed to provide relevant and timely information to the project management, implementing agencies, and various stakeholders monitoring the project's performance. The formats and content of reporting were agreed upon during negotiations.

46. The constituents of the additional annexes to the quarterly project IFRs that will be submitted shall include: (a) sources and uses of funds; (b) actual and forecast cash flow statements according to components, sub components and activities; (c) use of funds by activity; and (d) designated accounts reconciliation statement.

47. In addition to the quarterly reports, the Secretariat shall ensure that the project prepares annual financial statements (AFS). The AFS will include, at a minimum, statement of Sources of Funds for the project as a whole (consolidated as well as separating for each of the two Designated Accounts); Uses of Funds for both Designated Accounts and consolidated - according to components, sub-components and activities; reconciliation Statement for each of the two designated Accounts; and adequate notes and disclosures consistent with the cash basis of financial reporting under the International Public Sector Accounting Standards (IPSAS).

6. Auditing

48. The ASSL is solely responsible for the auditing of all funds under the Consolidated Fund and all public funds as received by government ministries, agencies and departments. In line with this mandate, the consolidated audit of the project will be carried out by the Auditor General. The audit report shall be submitted to the Bank within 6 months of the end of the GoSL fiscal year (being the GoSL statutory submission deadline).

Conclusion of the FM Assessment

49. The project's financial management arrangements described above satisfy the **Bank's** minimum requirements under OP/BP10.00. The financial management assessment therefore concludes that the project's financial management arrangements are satisfactory and the overall residual financial management risk is rated as **moderate**.

Supervision Plan

50. Based on the risk rating of the project and the current FM arrangement, it is expected that during implementation, there will be two on-site visits at project sites to ascertain continued adequacy of arrangements, supplemented by desk reviews of IFRs and audit reports. The FM supervision mission's objectives will include ensuring that strong financial management systems are maintained for the project throughout project tenure. In adopting a risk based approach to FM supervision, the key risk areas of focus will include assessing the accuracy and reasonableness of budgets, their predictability and budget execution, compliance with payment and fund disbursement arrangements, and generation of reliable financial reports.

Procurement implementation arrangements

51. The overall responsibility for the REDiSL project, including for procurement, will lie with the Ministry of Education, Science and Technology and the REDiSL Secretariat to be established by the Ministry. Considering that by the law the management of basic education has been devolved to Local Councils, the implementation of some components of the project, including the procurements, will be managed by Local Councils. Still, the REDiSL Secretariat shall provide procurement support and oversight, as overall fiduciary responsibility for implementation, supervision and monitoring of the project, will lie with MEST. The procurements will be conducted at three levels:

52. **At school level:** These will include any procurement under component 1.1 of the project. Given that component 1.1 of the project is a Performance-based financing ("Performance-Based School Grants), any procurement is expected to be for low value items, such as procurement of pens, pencils, chalk and textbooks, repair of books, tables and facilities – especially since the total grant allocation per annum will be less than USD 1,000. These procurements will follow simplified procurement requirements/methods as detailed in the Project Implementation Manual and School grants manual. These will be managed by the schools directly with the support and help of the Local Councils and MEST procurement officers and under the oversight and coordination auspices of the REDiSL Secretariat Procurement consultant. The schools through their Board of Governors or School Management Committee, as applicable, will be responsible for planning and monitoring directly the schools' activities.

53. **At district level:** These will include the civil works procurements under component 1.2 of the project. During the appraisal it was identified that these activities will include (i) the construction of new classrooms (30 units) and (ii) the rehabilitation of classrooms (20 units). These procurements will include small value shopping procurements (<USD 20,000 per procurement), which will not attract the interest of firms based outside the district where the schools are located. It will be difficult to manage these procurements from central level and in addition, by law, the management at LCs level is decentralized to LCs and the management of basic education has been devolved to LCs.

54. The LCs are staffed by mayor/council chair, chief administrators, and their deputies, financial officers, accountants, procurement officers, and engineers. At the LC level, the

councils have competent procurement officers. The procurement officers and engineers have received training on Bank and GoSL procurement and contract management. Over the past five years, these officers have undergone advance procurement training, and have had hands-on experience in processing goods and civil works procurement under the RCHP 1, the Education EFA-FTI, the IDA-financed Rural and Private Sector Development Project and Decentralized Service Development Program project (DSDP). The on-going DSDP II project (closing date December 31, 2015) has a full component to support capacity building in LCs and the capacity and knowledge of the procurement officers. Before June 2014, it is foreseen a number of procurement clinics and training provided by National Public Procurement Authority, World Bank country based procurement staff and trainers-consultants employed under DSDP project to provide training on Bank and GoSL procurement and contract management.

55. For development of the BoQ, designs and technical specification, the arrangements will rely on the LCs engineers and the support of MEST civil engineer. LCs engineers are currently involved in implementation of a number of WB-funded projects, including Rural and Private Sector Development Project.

56. **At central level:** These will include the remaining procurements of works, all goods and consulting services under the project. The procurement will be managed by the Secretariat, which will have procurement support throughout the Project. For the start, the project will recruit and finance the costs of an experienced and qualified Procurement consultant for a minimum of the first 18 months of the project implementation. In addition to managing directly the mentioned procurement, the consultant will provide oversight and support to procurements at district and school levels. The project will also provide financing for a Procurement specialist at REDiSL Secretariat level to assist with managing REDiSL project and provide support to MEST in managing the procurements under other DPs financed projects.

57. For development of the BoQ, designs and technical specification for the civil works managed by REDiSL Secretariat and those at district level, the arrangements will rely on the MEST civil engineer. In addition, MEST has a collaboration agreement with DecSec, and MEST, DecSec and LCs engineers will be responsible for development of the BoQ, designs and technical specification for civil works under the project.

Detailed description of procurement arrangements

A General

58. ***Applicable Guidelines:*** Procurement under the proposed project would be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants" dated January 2011; "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011; "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011(the Anti-Corruption

Guidelines); and the provisions stipulated in the Grant Agreement. The general description of various expenditure categories for items to be financed are described below. For each contract to be financed by the grant, the different procurement methods or consultant selection methods, the need for prequalification, estimated costs, prior review requirements, and time frame are agreed between the Recipient and the Bank project team in the Procurement Plan. The Procurement Plan will be updated at least semi-annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

59. ***Special Considerations:*** Sierra Leone is on the 2013/14 harmonized list of Fragile and Conflict affected Situations (FCS) countries and therefore the procurement under the REDiSL will trigger paragraph 11 of OP 10.00 Investment Project Financing and subsequently paragraph 20 of the Bank's OP 11.00 Procurement in order to apply flexibilities and simplification to facilitate procurement implementation. These procurement arrangements therefore draw on the Guidance Note on Simplified Procurement Procedures for Situations of Urgent Need of Assistance or Capacity Constraints issued in April 2013.

60. **Exceptions to National Competitive Bidding Procedures:** The procurement procedure to be followed for National Competitive Bidding (NCB) shall be the open competitive bidding procedure set forth in The Public Procurement Act, 2004, of Sierra Leone (the "Act"); provided, however, that such procedure shall be subject to the provisions of Section I, and Paragraphs 3.3 and 3.4 of the "Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers", and the following additional provisions (exceptions to the Act):

- (a) Bidding documents acceptable to the Bank shall be used.
- (b) Eligibility to participate in a procurement process and to be awarded a Bank-financed contract shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Procurement Guidelines. Foreign bidders shall be allowed to participate in NCB procedures, and foreign bidders shall not be obligated to partner with local bidders in order to participate in a procurement process.
- (c) Bidding shall not be restricted to pre-registered firms, and foreign bidders shall not be required to be registered with local authorities as a prerequisite for submitting bids.
- (d) No margins of preference of any sort (e.g., on the basis of bidder nationality, origin of goods, services or labor, and/or preferential programs) shall be applied in the bid evaluation.
- (e) Joint venture or consortium partners shall be jointly and severally liable for their obligations. Bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids. Bids shall be submitted in a single envelope.
- (f) An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the original bid validity expiration date, provided that such extension shall cover only the minimum period required to complete the evaluation

and award a contract, but not to exceed thirty (30) days. No further extensions shall be requested without the prior written concurrence of the Bank.

- (g) All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the Bank's prior written concurrence.
- (h) Qualification criteria shall be applied on a pass or fail basis.
- (i) Bidders shall be given at least twenty-eight (28) days from the receipt of notification of award to submit performance securities.
- (j) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines.
- (k) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Bank's policy with respect to inspection and audit of accounts, records and other documents relating to the submission of bids and contract performance.

61. **Advertising procedures:** In order to get the broadest attention from eligible bidders and consultants, a General Procurement Notice (GPN) will be prepared by the implementing entity and published in the United Nations Development Business online (UNDB online), on the World Bank's external website and in at least one newspaper of national circulation in the Recipient's country, or in the official gazette, or a widely used website or electronic portal with free national and international access, after the project is approved by the Bank's Board and/or before project effectiveness. The Recipient will keep record of the responses received from potential bidders/consultants interested in the contracts and send them the Specific Procurement Notices.

62. Specific Procurement Notices for all works, goods and non-consulting services to be procured under International Competitive Bidding (ICB) and Expressions of Interest for all consulting services with a cost equal to or above US\$200,000 will be published in the UNDB online, on the Bank's external website, and in at least one newspaper of national circulation in the Recipient's country, or in the official gazette, or a widely used website or electronic portal with free national and international access. Specific Procurement Notices (SPN) for works, goods and non-consulting services to be procured using National Competitive Bidding (NCB) will be published in at least one newspaper of national circulation in the Recipient's country.

B. Procurement arrangements

63. **Procurement of Works:** Works contracts expected to be procured under this project will involve very small contracts for *construction and rehabilitation of classrooms (30 and, respectively, 20 classrooms), rehabilitation of District Education Offices, rehabilitation of TSC offices, and other associated infrastructure*. No ICB works contracts are anticipated as no contract is expected to cost more than US\$5,000,000. Contracts estimated to cost below US\$ 5,000,000 but greater than US\$400,000 equivalent may be procured through NCB. Relevant NCB works contracts, which are deemed complex and/or have significant risk levels, will be prior-reviewed. Such contracts will be identified in the procurement plans.

Contracts estimated to cost less than US\$400,000 equivalent per contract may be procured using shopping procedures in accordance with Para. 3.5 of the World Bank Procurement Guidelines. Higher thresholds for shopping can be applied in accordance with Guidance Note on Simplified Procurement Procedures for Situations of Urgent Need of Assistance or Capacity Constraints issued in April 2013 subject to World Bank clearance. For NCB, National Standard Tender Documents satisfactory to the Bank will be used, while shopping procedures will be based on a model request for quotations satisfactory to the Bank. Shopping consists of the comparison of at least three price quotations. At the minimum, this could be achieved by soliciting quotations through written invitations from not less than three qualified contractors. To the extent possible and practical, works orders shall be grouped into larger contracts wherever possible to achieve greater economy and present interest for the bidders, at the procuring entity level. Also, works that are implemented in a district by different implementing entities could be combined into one procurement in order to provide greater economy and attract the bidders. Direct contracting may be used in exceptional circumstances with the prior approval of the Bank, in accordance with paragraphs 3.7 and 3.8 of the Procurement Guidelines.

64. ***Procurement of Goods:*** Goods procured under the project would include *printing and distribution reading materials, teacher guides, classroom support packets, office equipment, computers and accessories for Procurement consultant and M&E specialist, and for TSC, etc.* Contracts for goods estimated to cost US\$500,000 equivalent or more per contract shall be procured through ICB, using Bank's Standard Bidding Documents (SBD). To the extent possible and practicable, goods orders shall be grouped into larger contracts wherever possible to achieve greater economy, at the procuring entity level. In this regard, goods that cut across all implementing districts and/or other agencies will be managed at the center level by the REDiSL Secretariat. Contracts estimated to cost less than US\$500,000 but equal to or above US\$200,000 equivalent per contract may be procured through NCB using the National Standard Tender Documents satisfactory to the Bank. Contracts estimated to cost less than US\$200,000 equivalent per contract may be procured using shopping procedures in accordance with paragraph 3.5 of the Procurement Guidelines. Higher thresholds for shopping can be applied in accordance with Guidance Note on Simplified Procurement Procedures for Situations of Urgent Need of Assistance or Capacity Constraints issued in April 2013 subject to World Bank clearance. For NCB, National Standard Tender Documents satisfactory to the Bank will be used, while shopping procedures will be based on a model request for quotations satisfactory to the Bank. Shopping consists of the comparison of at least three price quotations. At the minimum, this could be achieved by soliciting quotations through written invitations from not less than three qualified contractors. Direct contracting may be used in exceptional circumstances with the prior approval of the Bank, in accordance with paragraphs. 3.7 and 3.8 of the Procurement Guidelines.

65. ***Procurement of reading materials, teacher guides:*** The Recipient will procure the printing and distribution of about 1.8 million copies of supplementary reading books for primary for distribution in the schools and 64,900 copies of teacher guides and this procurement will be done competitively. MEST has not fully finalized the textbook procurement strategy and the best way to manage this operation, and experienced textbook consultant might be required to help with this operation. Depending on the number of titles

and number of copies of each title, the ICB will be “sliced and packaged” into Lots that would provide the opportunities for participation to the local printing industry and still be attractive to international suppliers. For the procurement of reading materials, teacher guides the SBD for procurement of Textbooks and Reading Materials will be approached, where applicable

66. **Procurement of non-consulting services:** Procurement of non-consulting services such as *services for organizing workshops for information dissemination, transport services for distribution of supplementary reading books to schools, data collection, servicing of office equipment*, will follow procurement procedures similar to those stipulated for the procurement of goods, depending on their nature. The applicable methods shall include ICB, NCB, shopping, framework agreements and direct contracting.

67. **Framework Agreements:** For: (i) off-the-shelf goods, and (ii) simple non-consulting services that may be required from time to time, framework agreements may be entered with suppliers or providers of non-consulting services for a maximum duration of three years with prior approval by the Bank in accordance with paragraph 3.6 of the Procurement Guidelines.

68. **Selection of Consultants:** Consulting services for *Training of Teachers and Care Givers, development and copyright (authorship) of titles, Early Childhood Policy Development, Development of minimum Quality System, Test Development and Administration, Data input and Cleaning and Analysis and report writing for learning assessment, and for schools sensors, Development of Operational Guidelines/Manuals, studies on supply/demand of teachers, studies on framework for district education management, project management, including the procurement services of the Procurement consultant, financial and technical audits, etc.* are to be procured under the project.

(a) Firm- The selection method for consulting firms would include Quality and Cost Based Selection (QCBS), Quality Based Selection (QBS), Fixed Budget (FBS), Least Cost Selection (LCS), Selection Based on Consultants’ Qualifications (CQS), Single Source Selection (SSS) as appropriate. Contracts for consulting services will generally be procured through Quality and Cost Based Selection (QCBS) method. However, depending on the complexity and cost of the assignment other selection method could be used. Procedure of Quality-Based Selection (QBS) would be followed for assignments which meet the requirements of paragraph 3.2 of the Consultant Guidelines; Procedure of Fixed Budget (FBS) would be followed for assignments which meet the requirements of paragraph 3.5 of the Consultant Guidelines; and Procedure of Single-Source Selection (SSS) would be followed for assignments which meet the requirements of paragraphs 3.8-3.11 of the Consultant Guidelines and will always require the Bank’s prior review regardless of the estimated cost. Consulting services estimated to cost less than \$ 300,000 per contract under this project may be procured following the procedures of Selection Based on Consultants’ Qualifications (CQS) and for higher amounts CQS can be applied in accordance with Guidance Note on Simplified Procurement Procedures for Situations of Urgent Need of Assistance or Capacity Constraints issued in April 2013 subject to World Bank clearance. Least-Cost Selection (LCS) would be used for assignments for selecting the auditors and for other assignments of a standard or routine nature, and will be followed in accordance with paragraph 3.6 of the Consultant Guidelines. For all contracts to be awarded following QCBS, QBS, LCS and

FBS, the Bank's Standard Request for Proposals will be used. Selection of consulting firms will include launching a Request for Expressions of Interest, preparing short-lists and issuing a Request for Proposal using Banks' standard formats, when and as required by the Bank's Guidelines.

(b) Individual Consultants - Specialized advisory services and technical assistance to MEST may be provided by individual consultants. Procedures of Selection of Individual Consultants (IC) would be followed for assignments which meet the requirements Section V of the Consultant Guidelines.

69. Assignments to be carried out by competitively selected firms and estimated to cost the equivalent of US\$200,000 or more would be advertised for expressions of interest (EOI) in United Nations Development Business (UNDB) online, in the Bank's external website through client connection, and in at least one newspaper of wide national circulation, complemented by sharing the request for EOI with the consultants who responded to GPN. In addition, EOI for specialized assignments may be advertised in an international newspaper or magazine. For assignments that are estimated to cost less than \$100,000 (CQS), advertisement is not mandatory as per Guidance Note on Simplified Procurement Procedures as long as a shortlist of at least three qualified firms is established. Shortlist of firms for assignments estimated to cost less than US\$100,000 equivalent per contract (\$200,000 for Engineering Design & Contract Supervisions) may be composed entirely of national firms in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines provided a sufficient number of qualified national firms are available and no foreign consultants desiring to participate has been barred. In such instances, the requests for expression of interests would be advertised nationally.

70. The use of civil servants as individual consultants or a team member of firms will strictly follow the provisions of paragraphs 1.9 to 1.13 of the Consultants Guidelines.

71. **Capacity Building, Training Programs, Workshops, Seminars and Conferences, etc.:** All training, workshop, seminar and conference activities would be carried out on the basis of approved annual training plans that would identify the general framework of training activities for the year, including: (i) the type of training or workshop; (ii) the personnel to be trained; (iii) the institutions which would conduct the training or workshop; (iv) the justification for the training or workshop and selection of the institution, how it would lead to effective performance and implementation of the project and or sector; (v) the duration of the proposed training or workshop; (vi) the content of the training or workshop; and (vii) the cost estimate of the training or workshop. Report by the trainee upon completion of training and a copy of the certificate/diploma would be required. Workshop venues and training materials would be procured by comparing at least three quotations under shopping arrangements. The contracts for the procurement of workshop venues and training materials as well as the contracts for the selection of trainers or training institutions would be included in the Project Procurement Plan for the Bank's approval. Selection of consultants for training services follows the requirements for selection of consultants above.

72. **Operating Costs:** Operating Costs financed by the project are incremental expenses arising under the project, and based on Annual Work Plans and Budgets approved by the

Bank to cover project implementation related expenditures pursuant to the Grant Agreements but excluding the salaries of the Recipient's civil service. The procedures for managing these expenditures will be governed by the Recipient's own administrative procedures, acceptable to the Bank. Operating expenditures are neither subject to the Procurement and Consultant Guidelines nor prior or post reviews, are normally verified by TTLs and Bank's FM Specialists and shall be detailed in PIM FM section.

73. **Others:** School Grants under component 1.1 will be channeled directly to beneficiary schools. Procurement of goods, works and non-consulting services will be undertaken by the beneficiaries (schools), with the support and help of the Local Councils procurement officers and under the oversight and coordination auspices of the Procurement consultant, and in accordance with simplified procurement requirements/procedures and well-established private sector procurement methods/ commercial practices as developed in the PIM and School Procurement Guideline and acceptable to the Bank.

74. **Procurement Documents:** The procurement will be carried out using the latest Bank's Standard Bidding Documents (SBD) or Standard Request for Proposal (RFP) respectively for all ICB for goods and non-consulting services, and recruitment of consultants. For NCB, the Recipient shall submit a sample form of bidding documents to the Bank prior review after incorporating the exceptions listed above and will use this type of document throughout the project once agreed upon. The Sample Form of Evaluation Reports developed by the Bank, will be used. NCB SBD will be updated to include clauses related to Fraud and Corruption, Conflict of Interest, Bank's inspection and auditing rights and Eligibility requirements consistently with the World Bank Procurement Guidelines dated January 2011.

75. **Procurement Plan:** The Recipient has developed a procurement plan highlighting the procurable items under the respective components of the project that could be identified upfront. This plan was agreed upon prior to negotiations and included in the minutes. It will be made available in the image bank and made publicly available online. This plan will be updated semi-annually, and as and when required, to reflect the latest circumstances. It will also be available in the project's database and in the Bank's external website and also available in the project's database.

76. **Prior-Review Thresholds Levels:** In line with the country's prior review thresholds, the Procurement Plan shall set forth those contracts (Works, Goods, Non-consulting Services, and Consulting Services) which shall be subject to the World Bank's Prior Review. Generally, contracts to be prior reviewed are as indicated in the table below. Prior Review Contracts for the Hiring of Individual Consultants: Apart from legal work and procurement assignments, irrespective of the thresholds and category of risk, which shall respectively be reviewed by LEG VPU Unit with the relevant expertise and the designated PS/PAS or RPM as required, review of the selection process for all other individual consultants (Technical Experts) shall be reviewed solely by the TTL. However, relevant contracts below prior review thresholds which are deemed complex and/or have significant risk levels will be prior-reviewed. Such contracts will also be identified in the procurement plans. All other contracts shall be subject to Post Review by the World Bank. All terms of reference for

consultants' services (firms or individual consultants), regardless of contract value, shall also be subject to the World Bank's prior review. All Sole source selection and Direct Contracting shall be subjected to Bank's prior review. A summary of prior-review and procurement method thresholds for the project are indicated in the Table below.

Table 3.3 Details of Current Procurement Threshold for Procurement Methods
(According to current MEST procurement risk)

Expenditure Category	Contract Value (Threshold) (US\$)	Procurement Method	Contract Subject to Prior Review
1. Works	$C \geq 5,000,000$	ICB	All contracts
	$400,000 \leq C < 5,000,000$	NCB	None (except specified contracts as indicated in the procurement plan)
	$C < 400,000$	Shopping	None (except specified contracts as indicated in the procurement plan)
	All values	Direct Contracting	All
2. Goods and Non-Consulting Services	$C \geq 500,000$	ICB	All contracts
	$200,000 \leq C < 500,000$	NCB	None (except specified contracts as indicated in the procurement plan)
	$C < 200,000$	Shopping	None (except specified contracts as indicated in the procurement plan)
	All values	Direct Contracting	All contracts
3. Consultancy Services	$C \geq 200,000$	QCBS, QBS, FBS, LCS, CQS	All contracts
	$C < 200,000$ firms	QCBS; QBS, FB, LCS; CQS;	Only TORs (and specified contracts as indicated in the procurement plan)
	$C \geq 100,000$ individuals	IC	All contracts
	$C < 100,000$ individuals	IC	Only TORs (and specified contracts as indicated in the procurement plan)
	All values	Single Source (Selection Firms & Individuals)	All contracts
4. Training, Workshops, Study Tours	All values	To be based on Annual Training Plan & Budget	All Training
All TORs regardless of the value of the contract are subject to prior review			

ICB – International Competitive Bidding

NCB – National Competitive Bidding

CQS – Consultants' Qualification Selection method

IC – Individual Selection method

QCBS – Quality and Cost-Based Selection method

FBS - Selection under a Fixed Budget

QBS - Quality Based Selection method

LCS - Least-Cost Selection

Remark: The World Bank may, at its own discretion, require that a sample of contracts below the threshold be subject to prior review, at any time or when the Procurement Plan is updated.

77. **Post Review Procurement:** The Bank will carry out sample post review of contracts that are below the prior review threshold for contracts implemented by MEST and LCs to ascertain compliance with the procurement procedures as defined in the legal documents. The procurements managed by schools will be covered by the technical/qualitative audit.

78. **Frequency of Procurement Supervision:** In addition to the prior review supervision to be carried out by the Bank, the procurement capacity assessment recommends at least two supervision missions each year, complemented by post review of procurement actions by WB Procurement staff.

79. **Technical / qualitative / performance audit:** An audit will be performed, by a consultant selected competitively and financed under the project, at the start of the project and again at the end of the second year of implementation to ascertain whether the number and types of learning materials purchased are actually delivered to the schools and being effectively used in the classrooms. This will also cover the procurement performance under school grants component.

80. **Contracts Disbursements Status Reports:** As part of the project reports, the MEST will submit contract management and expenditure information in quarterly reports to the Bank. The procurement management report will consist of information on procurement of goods, works, non-consulting and consulting services and compliance with agreed procurement methods and requirements. The report will compare procurement performance against the plan agreed at negotiations and, as appropriate, revised during the project implementation. The report will also provide any information on complaints by bidders, unsatisfactory performance by contractors and any information on contractual disputes.

81. **Publications of Awards and Debriefing:** In accordance with the World Bank's Procurement Guidelines and Consultant Guidelines dated January 2011 (mentioned above), for all ICBs, LIBs, request for proposal that involves the international consultants and direct contracts, the contract awards shall be published in UN Development Business online and on the Bank's external website within two weeks of receiving the Bank's "no objection" to the recommendation of contract award. For other types of procurements the contract awards will be published in National press, the national newspaper of wide circulation and/or in the official gazette provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access. For works, goods, and non-consulting services, the information to publish shall specify (i) name of each bidder who submitted a bid; (ii) bid prices as read out at bid opening; (iii) name and evaluated prices of each bid that was evaluated; (iv) name of bidders whose bids were rejected and the reasons for their rejection; and (v) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded. For Consultants, all consultants competing for an assignment involving the submission of separate technical and financial proposals, irrespective of its estimated contract value, should be informed of the result of the technical evaluation (number of points that each firm received), before the opening of the financial proposals. Furthermore, the following information must be published: (i) names of all consultants who submitted proposals; (ii) the overall technical scores and scores assigned for each criterion and sub-criterion to each consultant; (iii) the prices offered by each

consultant as read out and as they have been evaluated; (iv) the final combined scores and the final ranking of the consultants; and (v) the name of the successful consultant and the total price, duration, and summary scope of the contract. The same information will be sent to all consultants who have submitted proposals. The Recipient's implementing agency will be required to offer debriefings to unsuccessful bidders and consultants, should the individual firms request such a debriefing.

82. ***Fraud and Corruption:*** All procurement entities as well as bidders and service providers (i.e., suppliers, service providers, and consultants) shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraphs 1.16 and 1.17 (Fraud and Corruption) of the Procurement Guidelines and paragraph 1.23 and 1.24 (Fraud and Corruption) of the Consultants Guidelines, and the "*Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants*", dated October 15, 2006 and revised in January 2011, in addition to *the relevant Articles of the Sierra Leone Public Procurement Act 2004*.

83. ***Anti-Fraud and Corruption Measures:*** The Anti-Corruption requirements are included in all WB Standard Bid Documents and Contracts for Goods, Works and Consultants' Services. The Task Team will also ensure that equivalent provisions are included in any bid documents and contracts used for NCB and shopping. In addition, the Task Team will maintain intensive oversight and will carry out prior review of all major contracts according to the thresholds that will be regularly reviewed and adjusted as needed in the Procurement Plan. The following additional measures will be taken to mitigate fraud and corruption risks:

- (i) *Training of Recipient's Fiduciary Staff* starting from the project launch, repeated periodically thereafter, and supplemented by on the job training on procedures and methods required to effectively carry out their due diligence function;
- (ii) *Employment by the Recipient of reputable agents* to carry out technical audits under the project;
- (iii) *Include a detailed Work and Contract Management Plan* in the Project Implementation Manual, based on verifiable information, to be implemented by the Procurement Consultant as a task included in its TOR;
- (iv) *Complaints:* Establish, implement and maintain an effective method and procedures for the MEST to address and resolve in a timely manner complaints received from bidders. Notice on the availability of a complaint methodology, including simple instructions on how to file a complaint shall be displayed publicly in the Notice Board of the MEST and LCs;
- (v) *Transparency:* A public information system will be established by MEST and LCs. Information on public procurement under the project will be published and distributed through available media, including through a project's website with free national and international access. Information published will include at least invitations to prequalify, bid or express interest as required by paragraphs 2.7 - 2.10 of the Procurement Guidelines and paragraph 2.5 of the Consultants Guidelines.

By the same token all information related to awards of contracts will be published in accordance to the requirements detailed in paragraph 7 of Appendix 1 of both guidelines.

C. Assessment of the agency's capacity to implement procurement

84. The Procurement team has confirmed and finalized the appraisal of procurement activities. The assessment reviewed the organizational structure for implementing the project and the interaction between the project's staff that will be responsible for procurement (procurement consultant and officers) and other entities concerned by project's components implementation.

85. This assessment covers the organizational aspects, procurement process, record keeping and document management system, staffing and the qualification of the staff, quality and procurement planning, development of the procurement documents, bids/proposals submission, evaluation of the proposals and contract award, and suitability of the laws, rules and regulations applicable to MEST Unit in charge of the implementation of the project.

86. The assessment concluded that MEST is in compliance with the country's public procurement act. It has a procurement unit, procurement committee and evaluation committee in place as provided by the law. However, MEST has weak procurement experience in World Bank funded procurement, which was acquired under the previous EFA-FTI operation. The Procurement Committee has certain members experienced with World Bank procedures. The Procurement Unit includes only one mainstreamed Procurement Officer, managing the consolidated budget procurements and supports the Procurement Committee. He was recently (around nine months) appointed to the MEST and has weak experience in public procurement in general (around three years) and no experience in managing the World Bank procurements. In addition, MEST procurement unit has inadequate furniture and equipment to support procurement; it has no filing cabinet (for archiving documents), no safe for security of procurement documents (particularly the original of Bids and Bank guaranties) and no IT equipment (laptop, printers, copiers, scanners).

87. The assessment concluded that the Procurement Officer has theoretical knowledge of public procurement and has managed mainly requests for quotations and restricted procurements, but he has weak practical experience in managing public procurements and no experience with WB-funded procurements. The country risk and environment governing the public procurement in Sierra Leone expose more risk on the procurement officer to adequately manage the procurements. The assessment concluded that in the last two years the procurement officers of MEST were twice changed/transferred – a practice that increases the risk of losing knowledgeable procurement staff after training. In order to mitigate this risk, the project will rely for procurement support from a qualified and experienced Procurement consultant, to be financed under the project and kept for a minimum of the first 18 months of the project implementation. He/she will be responsible for providing on-the-job training to procurement staff while developing and reviewing the necessary procurement work.

88. Most of the issues/ risks concerning the procurement component for implementation of the project have been identified and include systemic country issues, as well as issues at the entity and project level. At the Country level there are public institutions and they are therefore subject to the national laws and regulations for public procurement. The conduct of public procurement is governed in Sierra Leone by the Public Procurement Act, 2004 and the Regulations on Public Procurement, First Edition 2006. Additional guidance is set forth in the Public Procurement Manual (First Edition) of 2006. Standard forms of bidding documents and contract conditions have been issued by National Public Procurement Authority (NPPA) for use by procuring entities and cover the procurement of goods and works and consulting services. The MEST and LCs do not have any internal procurement manual and the Public Procurement Act, the Regulations, the Procurement Manual and SBDs govern the procurements managed by these institutions. These documents comprise the general legislative framework for the conduct of public procurement.

89. The Procurement Act has features of good public procurement practice, including effective and wide advertising of upcoming procurement opportunities. This is regulating the procurement planning, public opening of bids, pre-disclosure of all relevant information including transparent and clear bid evaluation and contract award procedures, clear accountabilities for decision making with segregation of executive and oversight responsibilities, the procurement methods, record keeping, dealing with the bidders' complaints. The public procurement framework also has provisions against bribery and corruption, and provides for the code of conduct of the procurement staff. The Procurement Act also details the roles and the qualification requirements for the procurement unit, the duties of the evaluation committee and the procurement committee.

90. Despite the fact that the procurement system is in general clearly defined by the Public Procurement Act, the system still seems somewhat ineffective. There is general lack of public procurement knowledge and sometimes deliberate or inadvertent bypassing of the requirements. As noted before, the frequent rotation of procurement officers by the Human Resource Management Office or Local Councils' Commission adds to delays and disrupts workflow, as was experienced under the previous EFA-FTI project.

91. For the project implementation, MEST is required to apply the World Bank Procurement Guidelines and Consultant Guidelines. It is anticipated that the majority of contracts will be carried out in the first year of the project. The MEST will be responsible for finalizing the drafts of the bidding documents, including standard drawings, bill of quantities (BoQ), simplified standard bidding documents (SSBD), request for Quotation and forms, as well as developing and fostering the capacity of the LCs to manage the school construction and rehabilitation process in line with the project's requirements.

92. Based on procurement capacity assessment and experience on the ground the overall project risk for procurement, prior to mitigation, is rated High. The key risks identified for implementing procurement activities under the project relates mainly to: (i) the lack of adequate capacity to manage procurement; (ii) the lack of proficient skill and experience to undertake and manage normal and complex procurements; and (iii) weak in-house experience with World Bank procurement procedures.

93. The corrective measures, which have been agreed on, include the hiring of the Procurement consultant for : (i) support the project unit and LCs in all procurement aspects of civil works and procurement of books and teachers guides, etc.; (ii) drafting the procurement section of the Project Implementation Manual, including the detailed part for contract management and required forms for the work follow-up on daily basis, (iii) training and fostering the capacity of all procurement officers and engineers, whom will be involved in the project implementation at headquarter and LCs, in WB-funded procurement requirements. More details are provided in the Table below.

94. The Table below summarizes key risks identified and proposed mitigation measures and/ or actions to be agreed upon to reduce the risk from High to Substantial.

Table 3.5: Key procurement risks and mitigation measures

No	Key risks	Mitigation Actions	By Whom	By When
1.	Lack of proficient skills /capacity and experience to undertake and manage normal and complex procurement by the implementing entities	The MEST, vis-à-vis the Secretariat, will be capacitated with an experienced and qualified full-time Procurement consultant with experience and expertise in procurement and familiar and experienced with World Bank procurement procedures (to be recruited competitively locally or regionally, financed under the project and maintained specifically for REDiSL project for minimum first 18 months of the project implementation). In addition, the REDiSL Secretariat will be capacitated with the Procurement specialist to assist with managing REDiSL project and provide support to MEST in managing the procurements under other DPs financed projects	MEST/REDiSL Secretariat	Prior to disbursement By October 2014
		In addition, MEST and any LCs procurement officers and engineers involved in the project implementation should be further trained/capacitated in WB funded procurements	REDiSL Procurement Consultant	First three months of the project life
		Prior review will be applied to high value contracts and first contracts of works and goods regardless of their value as, specified in Procurement Plan	WB	Throughout project life
2.	Lack of familiarity with current trends of World Bank procurement guidelines and procedures	Preparation of Project Implementation Manual (PIM) reviewed and agreed by Bank, covering also the procurement process, contract management and procurement under the school grant and relationships between REDiSL Secretariat, Procurement Consultant, and Ministry's Procurement officer, Procurement committee and other requirements	REDiSL Secretariat	Project effectiveness
		Organize a quick workshop for MEST procurement staff and Councils staff involved in the Project implementation and decision makers to update them on project PIM and Bank procurement procedures.		At Project launch

No	Key risks	Mitigation Actions	By Whom	By When
		Close monitoring and collaboration by the World Bank Procurement Specialist	WB	Throughout project life
3.	Weak knowledge of the MEST Procurement officer, the Procurement Committee members in WB procurement procedures	Attending of the procurement clinics provided by WB country office	Procurement Consultant, REDiSL Secretariat and MEST procurement officer	Throughout project life
		Procurement training in works, goods and consultancy in specialized institutes (GIMPA for example), funded by project	REDiSL Secretariat	The first three months after effectiveness
		MEST Procurement officers shall benefit of on the job training. The procurement officer shall be involved in WB-funded procurements under the supervision of the Procurement consultant	REDiSL Secretariat	Throughout project life
4.	Poor Record Keeping of the procurement documents	Set up adequate filing system for project records to ensure easy retrieval of information/data. Designate a responsible person for data management. Procure and provide Procurement consultant with metallic cabinet with lock for secured keeping of the procurement documents, and complete set of recording furniture, one laptop and reproduction equipment (photocopier, scanner and printer all in one.	Project Coordinator	No later than 3 months of the project implementation
		Providing the MEST Procurement unit with adequate facility for filling and recording of procurement document	MEST	No later than 3 months of the project implementation
5.	Lack of Procurement Plans	Preparation Procurement Plan for, at least, the first 18 months and agreed with the Bank and subsequently updating of procurement plans in tandem with annual work plan and budget and for agreed contracts. The critical approval times will be reflected in the timelines of the procurement plans.	REDiSL Project Coordinator	Completed. To be updated throughout project.
6.	Delays in taking procurement actions like preparation of BD, RFPs, BER, TER, etc.	Close monitoring of the Procurement Plan on a monthly basis and close monitoring and quality control of all aspects of the procurement process, including evaluation, selection, contracts award and contract implementation	REDiSL Project Coordinator	Throughout project life
7.	Lack of LCs incentives or capacity in managing the procurements under assigned component	The procurements will be managed directly by REDiSL Secretariat procurement staff (Procurement consultant and specialist), who will also be responsible for the oversight and follow up of procurement activities at the district level on an on-going basis	REDiSL Project Coordinator	Throughout project life

No	Key risks	Mitigation Actions	By Whom	By When
8.	Fraud and Corruption (kick-backs, bids rigging)	<p>Insert World Bank Fraud and Corruption provisions, Bank’s audit and inspection right in all bidding and contract documents.</p> <p>All contract opportunities and contract awards shall be advertised in newspapers of national circulation and also at NPPA’s website to assure transparency.</p> <p>Enforce provisions of World Bank Guidelines, Anti-Corruption Guidelines, the Public Procurement Act on Fraud and Corruption.</p> <p>Observed cases to be reported to World Bank and Anti-Corruption Commission for further investigations.</p>	MEST/REDiSL Secretariat, LCs	Throughout project life
		Annual project audit, including procurement and financial management	External auditors	

Monitoring & Evaluation

95. The REDiSL Secretariat, as delegated by the PS’s office, is responsible for supporting implementation of the project and will be responsible for monitoring and collecting of data related to project progress and outputs. The Secretariat will be based in Freetown and will work closely with the Directorate of Planning and Policy, which will have a full M&E team supported through this project. It will work closely with this team, the district inspectorates, similar to what was done in the previous EFA-FTI operation on collection of certain data. For school grants, the Local Councils, in partnership with the Inspectorates will be responsible for reporting on progress of grant implementation. In parallel, an independent entity will be contracted to carry out “spot checks” and site visits to validate numbers received from the districts. The early childhood/pre-primary education intervention will be reported in the same way as it will be operational in the same districts to be targeted by the school grants.

96. Under the reading program, books distribution will be validated by the district inspectorates and spot checks will be carried out. The stronger monitoring and evaluation efforts will be on the teacher training, capturing data to determine if and how the teachers are using the knowledge and tools. This will be done through an independent in-class observation.

97. Reporting on the system strengthening, particularly on the TSC and the learning assessment will be done by the Secretariat through their project monitoring reports. Based on the design of these interventions, reporting will be mainly on execution of inputs with a reporting on outputs only at the end of the project once the database is established and the learning assessment has been carried out.

98. It is expected that the Secretariat will provide regular reports on project implementation, at a minimum semi-annually with interim reports at times of World Bank supervision missions. This timeline may be different from Financial Management reports although efforts will be made to align timing to extent possible.

Role of Partners

99. Partners have been involved in the development of the ESP as well as the REDISL operation. Although co-financing is not available (at this stage), interventions have been designed to complement other partners efforts and capitalize on them. For example, funded by DFID and implemented by UNICEF and MEST, an early grade reading assessment will be conducted during the project implementation period. Although not financed through the REDiSL, this assessment, which will target students who have received the books mentioned above, will complete the literacy campaign. In addition to the analysis of results, the lessons will be incorporated into the establishment of a national learning assessment system to be supported by the Project.

100. The Education Development Partners Group comprised of donor partners, CSOs, and NGOs, as well as the MEST staff, will provide technical support to the REDISL program as needed. Reports on progress of implementation will be presented to the group during its meetings, and they will help resolve technical issues or bottlenecks as necessary.

101. *Harmonization of efforts.* In addition, to support provided to the REDiSL by GPE and DFID, other donors such as DFID, UNICEF, and JICA are implementing major programs that support the GOSL's ESP. In support of improved access and completion, DFID will also fund programs to encourage girls and other disadvantaged children the opportunity to enter and complete JSS. Some of the programs funded under this pillar include girls mentoring programs, incentive package for age 6 enrolment, bursaries (or scholarships) for JSS students, and school feeding program (with WFP). In support of improved quality, many will fund teacher professional development programs e.g. JICA in funding teacher training for mathematics and science teachers in secondary schools, UNICEF is training primary school teachers in child centered teaching techniques, and DFID funds professional development of school heads. UNICEF's cluster monitoring program and DFID's support for the implementation of MEST's capacity development strategy will contribute to strengthening the system for education service delivery.

Annex 4: Operational Risk Assessment Framework (ORAF)
REVITALIZING EDUCATION DEVELOPMENT IN SIERRA LEONE (REDiSL) Project

Project Stakeholder Risks																		
Stakeholder Risk	Rating	Moderate																
<p>Risk Description:</p> <p>Government: The Government has shown commitment to the GPE by delivering (a draft to date) of the Education Sector Strategy Plan (ESP). It has also passed the SL Teaching Service Commission Act of 2011 which will be operationalized through this project. The Ministry has been integral in the design and preparation of the components. However, there is slight risk that there may not be sufficient political leadership to drive the project forward as envisioned, particularly as the TSC and the learning assessment have an organizational structure that is outside the MEST. Additionally, basic education delivery has been devolved to local councils since 2004. However, there is variance in capacity and will among the councils to monitor and promote education within the chiefdoms. This would need to be managed closely, particularly for the implementation of the school grants where local council involvement is critical.</p> <p>Donors: Donor collaboration both among the partners and with the Government is strong and generally there is good collaboration through the local education group which includes the Govt, donor partners, and civil society. However, per the experience of the EFA-FTI, donors do not always channel their funding through the ministry. There is a chance that this may happen if the Ministry does not show sufficient will and commitment to making changes in the sector.</p> <p>Communities: Although traditionally communities have</p>	<p>Risk Management:</p> <p>Project is building buy-in from all stakeholders. Interventions have been designed to include inputs that bring quick wins (schools grants, books, etc.) and others that bring foundational change (TSC, learning assessment). Consultations have taken place and will continue throughout preparation stage. The Bank is working with the Ministry and other counterparts (mainly public service commission) on the TSC. As for the school grants, the team has proposed the setting up of committees that include the local council, district inspectors, and community members to oversee and make decisions related to the school grants within their districts.</p>																	
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Resp:</th> <th style="text-align: left;">Status:</th> <th style="text-align: left;">Stage:</th> <th style="text-align: left;">Recurrent:</th> <th style="text-align: left;">Due Date:</th> <th style="text-align: left;">Frequency:</th> </tr> </thead> <tbody> <tr> <td>Bank</td> <td>Completed</td> <td>Preparation</td> <td style="text-align: center;"><input type="checkbox"/></td> <td>31-Mar-2014</td> <td></td> </tr> </tbody> </table>	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	Bank	Completed	Preparation	<input type="checkbox"/>	31-Mar-2014						
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:												
	Bank	Completed	Preparation	<input type="checkbox"/>	31-Mar-2014													
	<p>Risk Management:</p> <p>The Government's finalization of the Education Sector Strategy and its endorsement by the donors was an indication of the parties' commitment to work together. The ESP has been developed in a consultative process which has included the partners. Partners are increasingly engaging with the MEST.</p>																	
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Resp:</th> <th style="text-align: left;">Status:</th> <th style="text-align: left;">Stage:</th> <th style="text-align: left;">Recurrent:</th> <th style="text-align: left;">Due Date:</th> <th style="text-align: left;">Frequency:</th> </tr> </thead> <tbody> <tr> <td>Client</td> <td>Completed</td> <td>Preparation</td> <td style="text-align: center;"><input type="checkbox"/></td> <td>01-Sep-2013</td> <td></td> </tr> </tbody> </table>	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	Client	Completed	Preparation	<input type="checkbox"/>	01-Sep-2013						
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:													
Client	Completed	Preparation	<input type="checkbox"/>	01-Sep-2013														
<p>Risk Management:</p> <p>Specific elements of the project will be decided at the community level, including the school grants mechanism where decision making and oversight will be carried out at the community and local council levels.</p>																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Resp:</th> <th style="text-align: left;">Status:</th> <th style="text-align: left;">Stage:</th> <th style="text-align: left;">Recurrent:</th> <th style="text-align: left;">Due Date:</th> <th style="text-align: left;">Frequency:</th> </tr> </thead> <tbody> <tr> <td>Client</td> <td>In Progress</td> <td>Implementation</td> <td style="text-align: center;"><input type="checkbox"/></td> <td>30-Jan-2015</td> <td></td> </tr> </tbody> </table>	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	Client	In Progress	Implementation	<input type="checkbox"/>	30-Jan-2015							
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:													
Client	In Progress	Implementation	<input type="checkbox"/>	30-Jan-2015														

not been active in the education sector, they have stepped in to subsidize community teachers not on the Government payroll, construct classrooms from basic elements, and contribute to their children's education financially (books, uniforms, shoes, etc.). They are keen to see this operation bring results that would improve access and quality of learning for their children.					
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Implementing Agency (IA) Risks (including Fiduciary Risks)

Capacity	Rating	Substantial			
<p>Risk Description: Capacity at the Ministry is limited both in terms of technical skills and number of personnel. Furthermore, as a decentralization measure, basic education has been devolved to the Local Council, which vary in capacity from one district to another.</p>	Risk Management: World Bank is working closely with the MEST to ensure sufficient personnel are assigned to cover the implementation of the strategy and the GPE Operation. Additionally, donor interventions have been mapped out through the ESP which will support identification of gaps.				
	Resp: Bank	Status: In Progress	Stage: Implementation	Recurrent: <input type="checkbox"/>	Due Date:

Governance	Rating	Substantial				
<p>Risk Description: Governance remains fragile. Country systems, although stronger due to recent reforms, continue to have gaps in efficiency and transparency.</p>	Risk Management: Financial and institutional assessments will ensure REDiSL interventions and related transactions are safeguarded to the extent possible.					
	Resp: Client	Status: Completed	Stage: Preparation	Recurrent: <input type="checkbox"/>	Due Date: 20-Jun-2014	Frequency:
	Risk Management:					
	Resp:	Status:	Stage:	Recurrent: <input type="checkbox"/>	Due Date:	Frequency:

Project Risks

Design	Rating	Moderate			
Risk Description:	Risk Management:				

<p>Project does not address the double-shift system which reduces the instructional time allotted to kids in school.</p>	<p>The Government is in discussions with other donors about budget support to the sector that will allow for the addition of classrooms in some areas, and other interventions as needed.</p>					
	Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent: <input type="checkbox"/>	Due Date: 01-Jan-2016	Frequency:
Social and Environmental	Rating		Low			
<p>Risk Description: Other than the potential for minor construction (latrines, classrooms), that may take place under the school grants component, the project is not expected to impact any change in social or environmental status quo.</p>	<p>Risk Management: An ESMF will be developed to cover the school grants component. Safeguards will also be reviewed regularly during project implementation.</p>					
	Resp: Client	Status: Not Yet Due	Stage: Both	Recurrent: <input type="checkbox"/>	Due Date:	Frequency:
Program and Donor	Rating		Low			
<p>Risk Description: No major risks anticipated.</p>	<p>Risk Management:</p>					
	Resp:	Status:	Stage:	Recurrent: <input type="checkbox"/>	Due Date:	Frequency:
Delivery Monitoring and Sustainability	Rating		Moderate			
<p>Risk Description: Ministry currently carries out the school census to capture data but results are sometimes delayed, creating delays in analysis and identification of emerging issues.</p>	<p>Risk Management: The operation will support the continuation and improvement of school census data and analysis. During implementation, streamlined monitoring and reporting mechanisms will be developed under the project.</p>					
	Resp: Bank	Status: Not yet due	Stage: Implementation	Recurrent: X	Due Date:	Frequency: Annual
Other: Procurement	Rating		High			
<p>Risk Description: <u>Procurement Capacity:</u> The Ministry has limited experience in World Bank procurement. The procurement unit in the Ministry has limited or no equipment and high</p>	<p>Risk Management: The Project will hire a Procurement consultant for: (i) supporting the REDiSL and where applicable, the LCs in all procurement aspects of civil works and procurement of books and teachers guides, etc. and (ii) training and fostering the capacity of</p>					

staff turnover.	procurement staff in the ministry, who are involved in the project implementation at headquarters and LCs, in World Bank-funded procurement requirements. Further, a procurement specialist dedicated throughout the Project will also be recruited. This is to be confirmed during the first implementation support mission.					
	Resp: Client	Status: Not Yet Due	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Quarterly
Overall Implementation Risk:	Rating	Substantial				
<p>Risk Description:</p> <p>Some of the targets identified in the ESP seem ambitious and rely on significant additional resources flowing into the sector from the economic windfall of iron ore. There is a chance that these resources may not materialize or the MEST will not have the capacity to move forward with such interventions in time to achieve results as planned. This is a serious risk. Nevertheless, the establishment of the Change Unit will serve as a catalyst for driving change within the system by focusing on service delivery and monitoring of progress. This will enable the MEST and donors to assess progress, and potentially reconfigure investments long before it is too late.</p>						

ANNEX 5: IMPLEMENTATION SUPPORT PLAN

Revitalizing Education Development in Sierra Leone (REDiSL) Project

Strategy and Approach for Implementation Support

1. The implementation strategy for the Revitalizing Education Development in Sierra Leone Project builds on the lessons of the previous EFA-FTI and other World Bank operations and an understanding of the precarious operating environment. Taking this into account, support is provided both during preparation and implementation to ensure the project achieves its objectives in the three year timeframe and is able to change courses (restructure) easily should the unforeseen need arise.
2. **Regular implementation support** in the areas of procurement, financial management, and project administration will be provided by members of the team who are based in the country office. Additionally, support on issues related to safeguards (social and environmental) will come from staff based in regional offices, with knowledge of the Sierra Leone portfolio and cross-cutting issues. Twice annually (minimum), technical support missions will be carried out, focusing on specific elements of the operation and bringing international expertise as needed to ensure high quality results. These experts will also be used to reinforce the technical capacities at the national level. About 15 months after effectiveness, a comprehensive mid-term review will assess project's overall progress and make necessary recommendations (and follow on actions) to the Ministry.
3. **Technical input** will be provided as certain components get underway, particularly the early childhood education, reading program, and learning assessment. International expertise will be provided to help the Government develop the pre-primary education quality standards that are internationally comparable, develop evaluation mechanisms for the teacher training, and establish a learning assessment tool that sufficiently identifies the knowledge levels of Sierra Leonean students among their national and international peers.
4. **Financial Management.** Based on the risk rating of the project and the current FM arrangement, it is expected that during implementation, there will be two on-site visits at project sites to ascertain continued adequacy of arrangements, supplemented by desk reviews of IFRs and audit reports. The FM supervision mission's objectives will include ensuring that strong financial management systems are maintained for the project throughout project tenure. In adopting a risk based approach to FM supervision, the key risk areas of focus will include assessing the accuracy and reasonableness of budgets, their predictability and budget execution, compliance with payment and fund disbursement arrangements, and generation of reliable financial reports.

Table 5.1: Implementation Support Plan

Focus	Skills Needed	Resource Estimate
First twelve months		
Launch of school grants Identification of candidate schools for pre-primary classroom establishment	Performance-based financing expertise and/or school grants specialist	US\$ 200,000
Procurement processes, particularly of reading books and school grants	Procurement	
Literacy and Learning Assessment support	Literacy and Book production specialist	
Monitor performance of financial management	Financial Management	
Establish proper reporting and M&E mechanisms, particularly in improving efficiency of EMIS	Monitoring and Evaluation	
Operations and Bank policy	Bank operations	
12-36 months		
Operations and Bank policy	Bank operations	\$US325,000
Performance of school grants component phase I, both from fiduciary standpoint and in terms of activities carried out with funds	Performance-based financing expertise and/or school grants specialist	
Project performance as related to environmental and social safeguards	Environmental/Social safeguards expertise	
Compliance with FM, procurement, and disbursement processes, namely reporting	Financial management, procurement, and disbursement expertise	
Distribution of books intervention, advising on remaining issues	Processes or implementation expertise	
Design of in-class observation for teachers who undergo training	Literacy expertise	
Establishment of pre-primary classrooms (construction, equipment, and enrollment)	Civil engineering, child development expertise	
Learning assessment, particularly test items prior to launch of assessment in sample locations	Learning assessment expertise	
Teacher Service Commission and Secretariat – review of functions	Public sector reform expertise	
EMIS and School Census	M&E, ICT expertise	
Preparation for project closing	Implementation Completion Report author	

Table 5.2: Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Task Team Leader/Operations Officer	14 SW annually	2 annually	Based in Washington
Education Specialist	14 SW annually		Based in Freetown
Procurement	5 SW annually		Based in Freetown
Financial Management specialist	5 SW annually		Based in Freetown
Environment Specialist	2 SW annually	2 during project cycle	Based in Accra
Social sfgrds specialist	2 SW annually	2 during project cycle	Based in Accra
School grants/RBF specialist	2 SW annually	2 during project cycle	Location TBD
Early childhood education specialist	2 SW annually	2 during project cycle	Based in Washington
Learning Assessment specialist	2 SW annually	2 during project cycle	Location TBD
Literacy Specialist	2 SW annually	2 during project cycle	Location TBD
Public Sector Specialist	2 SW annually	2 during project cycle	Based in Accra

ANNEX 6: PROCUREMENT PLAN

Revitalizing Education Development in Sierra Leone (REDiSL) Project

I. General

Country:	Sierra Leone
Borrower:	Ministry of Finance and Economic Development of Sierra Leone
Project Name:	REVITALIZING EDUCATION DEVELOPMENT PROJECT (REDiSL) (P133070)
Loan/Credit no:	
Project Implementing Entity:	Ministry of Education, Science and Technology

1. **Bank's approval date of the procurement plan:** Original : July 2, 2014
2. **Date of General Procurement Notice:** to be published
3. **Period covered by this procurement plan:** first 18 months

II. Goods, works and non-consulting services

1. **Prior Review Threshold:** Procurement Decisions subject to Prior Review by the Bank as stated in Appendix 1 to the Guidelines for Procurement:

	Procurement Method	Prior Review Threshold US\$	Comments
1.	ICB and LIB (Goods)	C ≥ US \$500,000	N/A
2.	NCB (Goods) packages	The first two NCB contracts and any other contracts identified by the Bank in the Procurement Plan	N/A
3.	ICB (Works) packages	C ≥ US \$5,000,000	N/A
4.	NCB (Works) packages	The first two NCB contracts and any other contracts identified by the Bank in the Procurement Plan	N/A
5.	ICB (Non-Consultant Services) packages	C ≥ US \$500,000	N/A
6.	NCB (Non-Consultant Services) packages	The first two NCB contracts and any other contracts identified by the Bank in the Procurement Plan	N/A
7.	Shopping (Goods and Non-Consulting Services)	The first shopping contract and any other contracts identified by the Bank in the Procurement Plan	N/A
8.	Shopping (Works)	The first shopping contract and any	N/A

		other contracts identified by the Bank in the Procurement Plan	
9.	Direct Contracting	All contracts irrespective of the cost estimate	N/A

2. **Prequalification.** Bidders for *Not Applicable* shall be prequalified in accordance with the provisions of paragraphs 2.9 and 2.10 of the Guidelines.
3. **Reference to (if any) Project Operational/Procurement Manual:** As a condition for effectiveness of the Project a Project Implementation Manual will be prepared by the Borrower and approved by the Association, and will govern the procurements under the project
4. **Any Other Special Procurement Arrangements:** No special procurement arrangements are required.
5. **Summary of the Procurement Packages planned during the first 18 months after project effectiveness** (including those that are subject to retroactive financing and advanced procurement)

6. Civil Works and Goods with Procurement Method and Time Schedule

1	2	3	4	5	6	7	8	9	10	11	12
No.	Description of Assignment	Procurement method	Amount (USD)	Procurement No	Prequalification (yes/no)	Review by Bank (Prior / Post)	Domestic Preference (Yes/ No)	Contract signing	Contract Completion date	Component	Source of funds
CIVIL WORKS											
1	Construction of 30 new classrooms (classroom block with latrine)	SH (various contract)	474,000 (15,800 each contract)	REDISL/MEST/ECD /WKS/RFQ/14/01	No	* Post	No	Nov 2014	Jan 2015	1.2	GPE
2	Rehabilitation of 20 Classrooms (classroom block with latrine)	SH (various contract)	150,000 (7,500 each contract)	REDISL/MEST/ECD /WKS/RFQ/14/02	No	* Post	No	Nov 2014	Jan 2015	1.2	GPE
3	Rehabilitation of 14 District Education Offices	SH (various contract)	19,600 (1,400 each contract)	REDISL/MEST/TSC/ WKS/RFQ/14/03	No	* Post	No	Dec 2014	Feb 2015	1.4	GPE
4	Rehabilitation of Freetown Office	**NCB (simplified)	250,000	REDISL/MEST/TSC/ WKS/NCB/14/04	No	***Post	No	Dec 2014	Feb 2015	1.4	GPE
5	Rehabilitation of Change Unit Office	SH	33,000	REDISL/MEST/TSC/ WKS/SH/14/05	No	*Post	No	Oct 2014	Dec 2014	2.3	MDTF
GOODS											
1	Procurement (development and printing) of 1,950,000 Readers (6-8	ICB	4,150,000	REDISL/MEST/EGR /GDS/ICB/14/01	No	Prior	No	Nov 2014	Apr 2015	1.3	GPE

	titles) for Primary 1-3 (Lot 1) and Procurement (development and printing) of 32,435 teacher guides (Lot 2)										
2	Procurement of 1,000 copies Brailled version of readers	DC	45,000	REDISL/MEST/EGR /GDS/DC/14/02	No	Prior	No	May 2015	Aug 2015	1.3	GPE
3	Procurement of 32,435 Classroom support packets for Primary 1-3 for distribution at teacher training	NCB	325,000	REDISL/MEST/EGR /GDS/NCB/14/03	No	***Post	No	Nov 2014	Apr 2015	1.3	GPE
4	Procurement of Office Furniture and Equipment (Lot 1) and IT equipment and Accessories (Lot 2) for CU, REDISL Secretariat, M & E Unit)	SH	46,500	REDISL/MEST/CU-RS-ME- /GDS/SH//14/04	No	*Post	No	Sept 2014	Oct 2014	2.3 & 3	GPE & MDTF
5	Procurement of Office Furniture and Equipment (Lot 1) and IT equipment and Accessories (Lot 2) for	NCB	146,500	REDISL/MEST/ TSC/GDS/NCB/14/0 5	No	***Post	No	Dec 2014	Feb 2015	1.4,	GPE

	TSC										
6	Procurement of 5 (five) 4-wheel drive vehicle for M & E Unit, CU and Monitoring in 3 (three) Districts	DC/UNOPS	200,000	REDISL/MEST/CU-ME/GDS/DC/14/06	No	Prior	No	Sept 2014	Oct 2014	2.3 & 3	MDTF
7	Procurement of 1 (six) 4-wheel drive vehicle (Lot 1) and One Motor Cycle (Lot 2) for TSC	DC/UNOPS	42,500	REDISL/MEST/TSC/GDS/DC/14/07	No	Prior	No	Aug 2014	Oct 2014	1.4,	GPE

Remark:

* **Only 1st contracts is prior review:**

** **Advertising in newspaper of national circulation followed by issuing of the Request for quotation document:**

*** **Only the first two NCB contracts are prior review.**

III. Selection of Consultants

1. Prior Review Threshold: Selection decisions subject to Prior Review by Bank as stated in Appendix 1 to the Guidelines Selection and Employment of Consultants:

	Selection Method	Prior Review Threshold	Comments
1.	Competitive Methods (Firms)	C ≥ US \$200,000	N/A
2.	Individual consultants	C ≥ US \$100,000	N/A
3.	Single Source Selection (firms and individuals)	All contracts irrespective of the cost estimate	N/A
4.	Contracts for specific assignments such as contracts for elaboration/update of manual of the project implementation and the manual of procedures; for financial audit; for procurement audit; for technical audit; for procurement services; for legal assignments	All contracts irrespective of the cost estimate	These contracts are not selection methods, but due to their sensitivity, they will be subject to prior review

2. Short list comprising entirely of national consultants: Short list of consultants for services, estimated to cost less than \$100,000 equivalent per contract (\$200,000 for Engineering Design & Contract Supervisions), may comprise entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

3. Any Other Special Selection Arrangements: No special procurement arrangements are required.

4. Consultancy Assignments with Selection Methods and Time Schedule

1	2	3	4	5	6	7	8	9	10
No.	Description of Assignment	Selection method	Amount (USD)	Procurement No	Review by Bank (Prior / Post)	Contract signing	Contract Completion date	Components	Source of Funds
1	Consultancy for National Focal Person-Performance Based School Grant Component	IC	27,000	REDISL/MEST/SG/SCS/IC/14/01	Post	Sept 2014	Aug 2015	1.1	GPE
2	Consultancy for Training of 200 Teachers and Care Givers and curriculum refinement	IC	105,000	REDISL/MEST/ECD/SCS/IC/14/02	Prior	Nov 2014	Dec 2014	1.2	GPE
3	Consultancy for Early Childhood Policy Development	IC	41,000	REDISL/MEST/ECD/SCS/IC/14/03	Post	Sept 2014	Oct 2014	1.2	GPE
4	Consultancy for Development of minimum Quality Standards for Early Childhood Care Education (ECCE)	IC	18,000	REDISL/MEST/ECD/SCS/IC/14/04	Post	Nov 2014	Dec 2014	1.2	GPE
5	Consultancy for Training of Teachers of Grades 1-3 in early Grade reading	IC	150,000	REDISL/MEST/EGR/SCS/IC/14/05	Prior	May 2015	Feb 2017	1.3	GPE
6	Consultancy for the Assessment of Learning Outcomes relating to early grade readers for the Teacher Training workshops (in-class observations)	CQS/SSS	165,000	REDISL/MEST/EGR/SCS/IC/14/06	Prior	Dec 2015	Feb 2017	1.3	GPE
7	TSC Chairman (3 years)	IC	126,000	REDISL/MEST/TSC/SCS/IC/14/07	Prior	Aug 2014	Feb 2017	1.4	GPE
8	5 Heads of Department (3 years)	IC	360,000 (80,000 each)	REDISL/MEST/TSC/SCS/IC/14/08	Prior	Mar 2015	Feb 2017	1.4	GPE
9	14 Heads/Assistant Director of Districts (3 years)	IC	252,000 (18,000 each)	REDISL/MEST/TSC/SCS/IC/14/9	Prior	Mar 2015	Feb 2017	1.4	GPE
10	Consultancy for Development of Operational Guidelines/Manuals	CQS	52,500	REDISL/MEST/TSC/SCS/CQS/14/10	Post	Mar 2015	July 2015	1.4	GPE
11	Consultancy for Process Review-Teacher Records and Payroll Management	IC	10,500	REDISL/MEST/TSC/SCS/IC/14/11	Post	July 2015	Aug 2015	1.4	GPE

12	Consultancy for inception facilitation/staff assessment/work plans	CQS/SSS	40,000	REDISL/MEST/TSC/SCS/CQS/SSS/14/12	prior	Apr 2015	May 2015	1.4	GPE
13	Consultancy to conduct studies on supply/demand of teachers	CQS	42,000	REDISL/MEST/TSC/SCS/CQS/14/13	Post	May 2015	Jun 2015	1.4	GPE
14	Consultancy to conduct studies on framework for district education management	IC	10,500	REDISL/MEST/TSC/SCS/IC/14/14	Post	July 2015	Aug 2015	1.4	GPE
15	Consultancy for LAN/WAN setting up (TSC)	CQS/SSS	75,000	REDISL/MEST/TSC/SCS/CQS/SSS/14/15	prior	Apr 2015	May 2015	1.4	GPE
16	Consultancy for Learning Assessment	CQS	100,000	REDISL/MEST/LA/SCS/CQS/14/16	Post	Jan 2015	Mar 2015	2.1	MDTF
17	Consultancy for Data Analysis and Report Writing	IC	12,000	REDISL/MEST/SD/SCS/IC/14/17	Post	Sept 2014	Oct 2014	2.2	MDTF
18	Consultancy to develop strategy and produce draft policy on the education of children with disabilities	IC	100,000	REDISL/MEST/CU/SCS/IC/14/18	Prior	Sept 2014	Oct 2014	2.3	MDTF
19	Consultancy to prepare handbook and train on budgeting and financial management as well as work-plan development	IC	15,000	REDISL/MEST/CU/SCS/IC/14/19	Post	Sept 2014	Oct 2014	2.3	MDTF
20	Consultancy for setting up a MEST Website	IC	15,000	REDISL/MEST/CU/SCS/IC/14/20	Post	Sept 2014	Oct 2014	2.3	MDTF
21	Consultancy for updating and revision of 2010 Education Policy	IC	10,000	REDISL/MEST/EGR/SCS/IC/14/21	Post	Aug 2014	Sept 2014	2.3	MDTF
22	Administrative Officer-(MDTF)(2 years and 7 months)	IC	62,000	REDISL/MEST/CU/SCS/IC/14/22	Prior	Sept 2014	Feb 2017	2.3	MDTF
23	Monitoring and evaluation specialist (MDTF) 2 years and 8 months	IC	80,000	REDISL/MEST/CU/SCS/IC/14/23	Prior	Sept 2014	Feb 2017	2.3	MDTF
24	Monitoring and Evaluation Officer-2 (2 years and 8 months)	IC	64,000	REDISL/MEST/CU/SCS/IC/14/24	Prior	Sept 2014	Feb 2017	2.3	MDTF
25	Data analyst/statistician(MDTF) 2 years and 8 months	IC	48,000	REDISL/MEST/CU/SCS/IC/14/25	Prior	Sept 2014	Feb 2017	2.3	MDTF
26	REDiSL Project Coordinator (3 years)	IC	126,000	REDISL/MEST/RS/SCS/IC/14/26	Prior	Jan 2014	Feb 2017	3	GPE
27	Financial Management specialist (3 years)	IC	108,000	REDISL/MEST/RS/SCS/IC/14/27	Prior	Jan 2014	Feb 2017	3	GPE
28	Finance Officer -1(3 years)	IC	54,000	REDISL/MEST/RS/SCS/IC/14/28	Prior	Jan 2014	Feb 2017	3	GPE
29	Procurement Consultant (minimum 18 months)	IC	81,000	REDISL/MEST/RS/SCS/IC/14/29	Prior	Aug2014	Jan 2016	3	GPE
30	Procurement specialist (32 months)	IC	96,000	REDISL/MEST/RS/SCS/IC/14/30	Prior	Sept 2014	Feb 2017	3	GPE

31	Monitoring and Evaluation Officer-1 (2 years and 8 months)	IC	64,000	REDISL/MEST/RS/SCS/IC/14/31	Prior	Sept 2014	Feb 2017	3	GPE
32	Programme Officer (3 years)	IC	54,000	REDISL/MEST/RS/SCS/IC/14/32	Prior	Jan 2014	Feb 2017	3	GPE
33	Financial audit (3 years)	LCS	45,000	REDISL/MEST/RS/SCS/LCS/14/33	Prior	Aug 2015	Feb 2017	3	GPE
34	Qualitative/ technical audit (2 years)	LCS	30,000	REDISL/MEST/RS/SCS/LCS/14/34	Prior	Aug 2015	Feb 2017	3	GPE
35	Head, Change Unit (3 years)	DC/SSS	198,000	REDISL/MEST/CU/SCS/DC-SSS/14/35	Prior	Jan 2014	Feb 2017	2.3	MDTF

ANNEX 7: ECONOMIC AND FINANCIAL ANALYSIS

Revitalizing Education Development in Sierra Leone (REDiSL) Project

1. **The economic and financial analysis of this project consists of two parts.** The first analysis provides an overview of the socio-economic rationale for investing in the education sector in Sierra Leone including an estimation of the rates of returns to education. In particular, it highlights the linkages between socio-economic status and levels of education. The second part provides an economic rationale for the Project based on a cost-benefit analysis of proposed interventions.

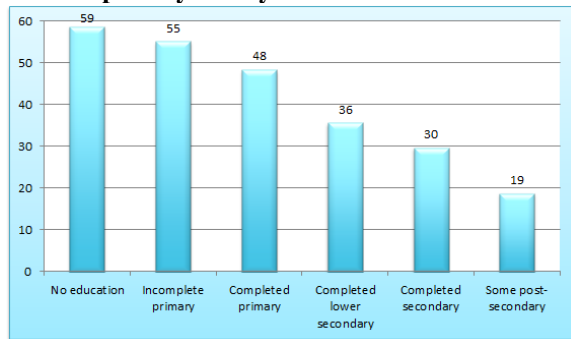
Part 1. Linkages between education and socio-economic status

2. **Education is strongly linked to poverty reduction, access to formal employment, and economic growth.** It is common practice for post conflict countries like Sierra Leone to emphasize education as a strategic area of investment during recovery and reconstruction stages. Effective investment in education has a multidimensional positive impact ranging from improvement in livelihoods to nation building; although the private benefits are more easily quantified and have been confirmed through research worldwide.

3. **Sierra Leone's GDP growth has averaged 5.2% over the past decade yet poverty has not significantly dropped.** Having declined from 58 percent in 2003 to 48.4 percent in 2010, poverty remains a major challenge for the country, especially in rural areas where the rate is 74 percent (vs 32.7 percent in some urban areas). These rural areas also have the lowest levels of education and higher numbers of out-of-school children, drawing linkages between the likelihood of being poor and being uneducated.

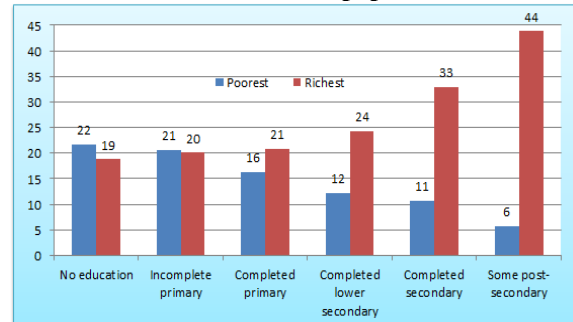
4. **At a national level, the analysis for Sierra Leone is similar to that of other developing countries - the poverty incidence rate is linked to the level of education.** About 53% of the total population lives below the extreme poverty line (less than US\$1.25 a day based on the Sierra Leone Integrated Household Survey (SLIHS, 2011). About 59 percent of the workforce with no education lives below the extreme poverty line compared to 55 percent with incomplete primary, 48 percent with complete primary, 36 percent with lower secondary, 30 percent with upper secondary and only 19 percent with some post-secondary education (Figure 7.1). Similarly, only about 19 percent of those with post-secondary education fall within the lowest expenditure quintile: over 44 percent are in the highest expenditure quintile, while the corresponding figures for the 'no education' category are 22 percent and only 6 percent, respectively (Figure 7.2). What this means for Sierra Leone is that more than 70 percent of its labor force lacks formal education, making the struggle to pull the population from extreme poverty to prosperity and drive economic growth extremely challenging.

Figure 7.1: Percentage of the population below the extreme poverty line by level of education



Source: SLIHS 2011

Figure 7.2: Expenditure quintile by education attainment of the labor force population

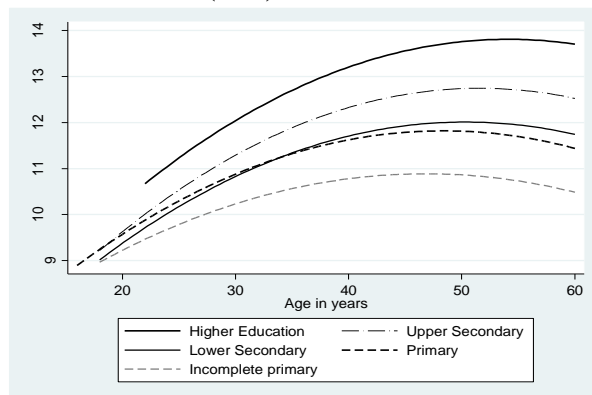


Source: SLIHS 2011

5. Estimates show wide disparities in wages and household spending when compared against educational attainment. Figure 7.3 shows that with each increased level of education, opportunities for higher wages increase over the previous levels.

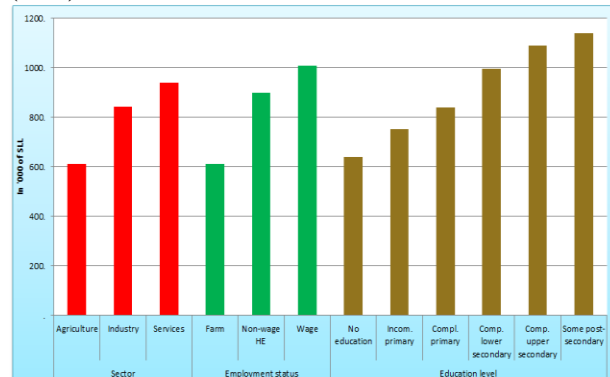
6. Figure 7.4 shows that average monthly earning for wage employment are estimated at 1,008k LE per month, compared with 897k LE and 609k LE for self-employment and family farming respectively.

Figure 7.3: Household Monthly Spending by Education Levels (SLL)



Source: Author's estimate using SLIHS 2011

Education Levels (SLL)

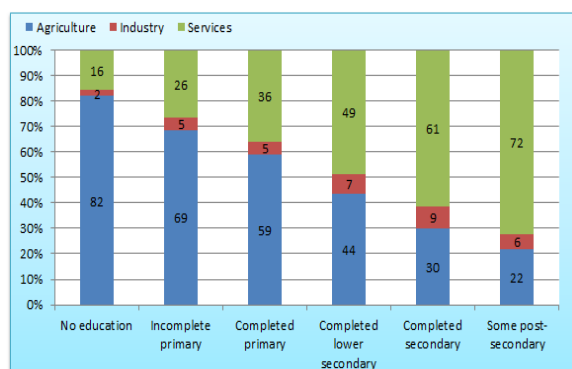


Source: Author's estimate using SLIHS 2011

Figure 7.4: Household Monthly Spending by

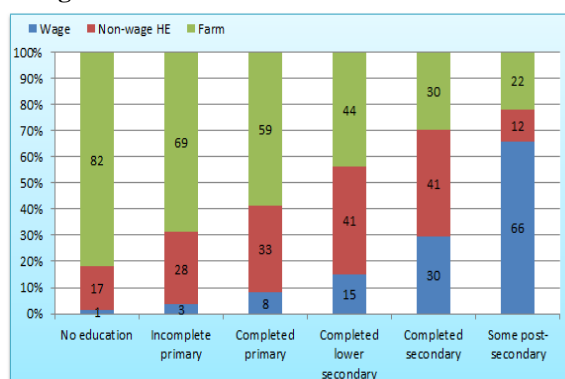
7. Figure 7.5 and 7.6 disaggregate education levels across sectors. Those that work in the services and industry sectors tend to have some post-secondary education and enjoy better wellbeing, whereas those in the agriculture sector are primarily less educated and economically less fortunate. Similarly, 66 percent of those in wage employment have post-secondary education, while those without an education comprise merely 1 percent.

Figure 7.5: Population by employment sector



Source: Author's estimate using SLIHS 2011

Figure 7.6 Population by wage and non-wage sector



Source: Author's estimate using SLIHS 2011

8. Using the Mincerian wage regression model, results show increasing returns to education as the level of education goes up, even after controlling for other determinants. An additional year of education could mean a 23 percent increase in income. This high return is driven by endogenous factors (choosing to invest in education) as well as exogenous factors (the already low-level of education in the existing labor market). As Table 7.1 shows, those with primary education earn 130 percent more than those with only some primary schooling. Likewise, those with secondary degrees earn 70 percent more than those that have only attained a primary level education.

Table 7.1: Mincerian Regression Result: Dependent variable: Natural log of monthly earning

	Wage		HH Spending			
	Years	Level	HH head only		All working HH members	
			Years	Level	Years	Level
Years of education	0.229 (13.81)***		0.047 (29.28)***		0.045 (46.28)***	
Years of experience	0.182 (5.95)***	0.169 (5.47)***	0.031 (7.39)***	0.029 (7.00)***	-0.005 (4.35)***	-0.006 (4.98)***
Years of experience squared	-0.003 (3.75)***	-0.002 (3.40)***	0 (5.04)***	0 (4.68)***	0 (4.83)***	0 (5.23)***
No. of working member			0.041 (7.04)***	0.04 (6.85)***	0.036 (14.65)***	0.036 (14.52)***
Level of education (Control dummy: No education)						
Incomplete primary		0.228 (0.46)		0.159 (5.06)***		0.141 (9.09)***
Completed primary		1.535 (4.45)***		0.317 (12.59)***		0.269 (20.89)***
Completed lower secondary		1.556 (4.70)***		0.482 (15.6)***		0.445 (28.95)***
Completed upper secondary		2.233 (7.93)***		0.507 (18.46)***		0.546 (36.80)***
Some post-secondary		3.131 (12.35)***		0.672 (24.35)***		0.614 (32.48)***
Constant	7.25 (19.77)***	7.624 (19.69)***	12.482 (216.67)***	12.507 (216.99)***	13.161 (840.93)***	13.183 (776.19)***
F	79.2	33.1	221.2	110.1	875.6	444.5
R2	0.180	0.177	0.134	0.133	0.145	0.147
N	1,087	1,087	5,734	5,734	20,700	20,700

Source: Author's estimate using SLIHS 2011

* p<0.1; ** p<0.05; *** p<0.01

9. To further reinforce the analysis, a multinomial logit regression by employment sector and status was used (see Table 7.2). Not surprisingly, the result showed that each additional year of education could lead to a 7.4 percent and 13.7 percent increased chance of employment in the industry and services sectors. The corresponding increase access to non-wage household enterprises and wage employment is 6 percent and 31.5 percent, respectively.

Table 7.2: Multinomial logit regression to estimate the role of education in signaling sectors and employment status: Dependent variable: 1, Sector of employment (Reference: agriculture), 2. Employment status (Reference: Farm)

	By sector of employment		By employment status	
	Industry	Services	Non-farm HE	Wage
years of education	0.074 (6.06)***	0.137 (15.07)***	0.06 (6.48)***	0.315 (22.46)***
area of residence urban/rural	2.26 (19.59)***	2.671 (38.94)***	2.675 (39.29)***	2.442 (19.67)***
gender	1.625 (10.95)***	-0.661 (9.82)***	-0.471 (7.45)***	0.28 (2.68)***
years of experience	0.144 (6.20)***	0.112 (8.11)***	0.087 (6.18)***	0.148 (7.92)***
years of experience squared	-0.003 (5.77)***	-0.002 (7.21)***	-0.002 (5.87)***	-0.002 (5.86)***
Wealth status (Poorest control dummy)				
Poor	0.33 (1.75)*	0.466 (4.09)***	0.446 (4.03)***	0.529 (2.53)**
Middle	0.261 -1.37	0.791 (7.21)***	0.725 (6.74)***	0.74 (3.81)***
Rich	0.597 (3.20)***	1.033 (9.58)***	0.97 (9.20)***	1.078 (5.66)***
Richest	0.897 (5.06)***	1.24 (11.83)***	1.161 (11.26)***	1.45 (7.84)***
Constant	-7.12 (21.50)***	-4.437 (22.23)***	-3.912 (19.43)***	-8.051 (28.60)***
N		13,925		13,925

Source: Author's estimate using SLIHS 2011

* p<0.1; ** p<0.05; *** p<0.01

Part 2. Economic rationale based on cost-benefit analysis

10. The benefits of the project are semi-quantifiable. The cost-benefit analysis focuses on the quantifiable benefits and provides the economic rationale for the non-tangible benefit portions using findings from global research. The quantifiable benefits of the project are divided into three categories: (i) quality, (ii) access and equity and (iii) capacity building. The cost-benefit analysis only captures the economic benefit stream of project beneficiaries realized in terms of lifetime earnings as the result of better learning, and intermediate benefits of the interventions. Semi-tangible benefits are mostly associated with the quality interventions of the project and estimated using standard benefit findings from similar interventions in other countries. Hence, the cost benefit analysis uses two approaches of benefit stream estimates to align to the project's design, intervention targets and beneficiaries. The two estimates are combined for the cost-

benefit estimates based on plausible assumptions, including the costs associated with partially tangible benefits to present the project's benefits at the lower spectrum.¹³

11. The first approach focuses on the impact of interventions on improving quality. In particular, it examines the direct impact of interventions looking at student learning improvement through reading books provision, quality aspect of school grant, and learning assessment. It also analyzes indirect impact including development of curriculum guidelines, incentivizing monitoring and evaluation, teacher training and development of an ECD service delivery model. The analysis builds on various studies showing the relationship between education interventions and student learning outcomes (mainly test scores)¹⁴ and impact of learning outcomes (particularly cognitive skills) on labor market outcomes (mainly earnings)¹⁵.

12. The second approach of the cost benefits analysis focuses on equity and access interventions (Since ECD and school grant interventions vary in terms of the target population and implementation mechanisms, calculation of the cost-benefit is done separately). Some of the investments affect both the quality and quantity aspects of the beneficiaries' outcomes, and should not be assumed as double counting. For example, the benefit of school grants under the quality aspect refers to the benefit of creating a conducive learning environment while the quantity aspect refers to the number of students coming to school.

Assumptions for cost-benefit analysis

13. To derive the cost-benefit analysis, the model makes several assumptions about the project and the associated costs (opportunity and running costs) and benefits. As most of the assumptions are common for the three estimation modules, assumptions common to all are presented first and the rest in sequence.

Assumptions relevant to all components:

- Wage rate for different levels of education by age are estimated using SLIHS 2011 for the benefit and opportunity cost.
- The earning rate per level of education and cognitive skills remains the same over the benefits time span except for inflation adjustment.
- A 15 percent discount rate is used to derive future returns and for the sensitivity analysis a higher discount rate is considered under different scenarios.

13 This is labeled as partially tangible interventions to indicate that the model only captures the effect on learning outcomes while in reality the investment on capacity building could have several other impacts including poverty reduction, health outcomes, fiscal space and other non-economic benefits.

14 The first relationship (impact of intervention on learning outcomes) is based on findings from international expert interviews on 40-education interventions in Latin America and 43 interventions in Sub-Saharan Africa by Ernesto Schiefelbein, Laurence Wolff, Paulina Schiefelbein,(1998, 2007): " Cost-Effectiveness of Education Policies in Latin America: A Survey of Expert Opinion" and " Cost-Effectiveness of Primary School Interventions in English Speaking East and West Africa: A Survey of Opinion by Education Planners and Economists". The researchers have also extended this methodology to English speaking Africa countries, but it only captures six countries' experience. Therefore, the analysis carried out used relied more broadly on the Latin American experience as the base scenario though the African experience was considered as part of the sensitivity analysis.

15 There is literature on the impact of cognitive ability (as measured by test scores) on earnings (Patrinos and Sakellariou 2007; Green and Riddell 2001; Moll 1998; Glewwe 1996; Murnane 1995, Jolliffe (1998), Vijverberg (1999), Boissiere, Knight and Sabot (1985); Knight and Sabot (1990). On average, incremental earnings range from 13 percent (low) to 20 percent (high) per one standard deviation of test score.

- Average earnings by age grow by 5 percent (annual inflation rate) between the data year (2011) and the project end year and thereafter continue to grow by 5 percent for incremental benefit determination
- Survival by level of education estimated based on the SLIHS 2003 and 2010 to determine the proportion of labor market entry by education attainment.
- Age of entry into the labor market is 15 for those entering labor markets before finishing high school and 18 for the rest.
- Unemployment estimated based on SLIHS to determine the chance of employment of beneficiaries. 75 percent is considered for quality component analysis. Unemployment rate by level of education will remain the same although quality improvement might increase the chance of employment to take the lower bound of the benefit.
- The beneficiaries of the programs work for a period of 30 years except for those benefiting from different terms for specific capacity building
- The official exchange rate is set at 4301 SLL per US\$1 for this analysis.
- Primary school starting age is 6 and ECD starting age is 3 or lower

Assumptions relevant to ECD construction:

- 10 percent annual maintenance cost (depreciation rate) assumed in the base for the life span of the facilities.
- ECD schools provide services for 40 years for the base scenario; reduced to 25 and 20 years for sensitivity analysis
- ECD Classroom size target by the project is 30
- Student teacher ratio is 33 based on EMIS estimates

14. The Cost benefit analysis focuses on the cost breakdown presented on Table 7.3

Table 7.3: Breakdown of Costs Used in the Cost-Benefit Analysis

Intervention categories	2014/15	2015/16	2016/17	Total
ECD and Training				
Total	336.2	336.2	336.2	1008.6
Classrooms construction /rehabilitation, and supply	320.4	320.4	-	640.9
MEST Coordination ,Dvlpt, curriculum, and design standards	127	-	-	127
teacher stipends (per class)	45.3	45.3	45.3	135.8
Teacher training	35	35	35	105
School grant				
Total	1327.3	1327.3	1327.3	3982
Out-of-school target	998.6	998.6	998.6	2995.7
Retention target	328.8	328.8	328.8	986.3
Reading books and				
Total	2333.4	2333.4	2333.4	7000.3
Teacher training -10% of 38K teachers in primary	735	735	.	1470
Production and distribution of reading books	3892.2	38.9	38.9	3970
Reading campaign	240	240	240	720
Teacher guides and class room support	302.7	302.7	302.7	908.2
Evaluation/monitoring of teachers	33.3	33.3	33.3	100
Learning assessment				
Total	366.7	366.7	366.7	1100
Grade 1		197.9	197.9	395.7
Grade 4	366.7	105.7	105.7	578
Grade 6		63.1	63.1	126.3
Capacity building				
Total	3434.4	3436.4	3438.4	10589.2
TSC	1000	1001	1002	3003
EMIS	333	333	333	999
Supervision/Monitoring	1467	1467	1467	4401
Project Management	364.4	365.4	366.4	1093.1
Others	270	270	270	1093.1
Total	7798	7800	7802	23400

15. The benefits for the quality interventions are based on findings in the relationship between educational interventions and learning outcomes, as well as learning outcomes and labor market outcomes. Although average measures are used for the baseline estimate, the estimated values are affected by country-specific context, implementation efficiency, and education system which may require several alternative scenarios be considered. For example, Schiefelbein et al's study shows, that of the 40 interventions assessed, a divergence of one standard deviation from the mean had an impact, on average, of 10.3 percent on learning outcomes (test score). The probability of adequate implementation of the intervention was further estimated to be 62.8 percent - leading to an overall actual impact of 6.5 percent (10.3*62.8 percent). Similarly, findings from the labor market show that one standard deviation from the mean in cognitive skills (learning outcome or test score) results in 0.17 to 0.22 proportional increases in wages¹⁶.

16 Based on the meta-study "Returns to Education in Developing Countries" by Patrinos and Psacharopoulos (2010) the average estimated return to a one standard deviation increase in cognitive skills across different countries is between 0.17 and 0.22.

Therefore, the ideal intervention with these profiles would increase earnings by 1.1 percent (6.5 percent*0.17) to 1.4 percent (6.5 percent*0.22). The specific assumptions are as follows:

- Using the lower bound of the IRR and imposing secondary completion for benefit estimates
- Although secondary completion rate can be improved over the project’s life-time, it is assumed to be at the current rate of 30 percent to take the lower bound of the IRR
- The SLIHS 2011 and EMIS data are used to estimate the number of beneficiaries.
- Beneficiaries are assumed to be in the labor market for 30 years
- Labor market entry age is 18.
- Unemployment rate of beneficiaries is estimated based on the SLIHS 2011 data.

The assumption for capacity and training related interventions:

- There is no opportunity cost associated with training it is not likely provided during working days
- Running cost or maintenance costs: costs associated with providing services including building maintenance fees and running programs such as learning assessment

16. Table 7.4 below calculates the IRR and NPV of benefits, with a discount rate of 15 percent, for all components (combined). The overall benefit/cost ratio is 1.6 with an IRR of 20%, showing that the project is economically viable. The lower bound of present discounted value of benefits is estimated to be US\$60.51 million while the present discounted value of costs is estimated to be US\$37.33 million (US\$18.70 million project cost and US\$18.63) opportunity/running costs) including other unquantifiable portions. The corresponding net present value (NPV) of program benefits is US\$22.04 million.

Table 7.4: Net Present Value (NPV) in millions of USD and Internal Rate of Return (IRR)

	Access and Equity	Quality	School Grants	All
IRR	19%	17%	24%	20%
Benefit/cost ratio	2.5	1.3	4.1	1.6
Discounted cost (present value of costs)	\$1.32	\$32.02	\$3.99	\$37.33
<i>Present value of direct project costs</i>	\$.81	\$13.89	\$3.99	\$18.70
<i>Present value of opportunity/other costs</i>	\$.50	\$18.13	\$.00	\$18.63
Present value of incremental benefits	\$3.32	\$40.93	\$16.25	\$60.51
NPV	\$.87	\$8.92	\$12.26	\$22.04

Note: Access includes ECD and teachers training, Quality includes reading books, and capacity building, and also the quality aspect of school grant.

Source: Authors’ estimation based on earning estimate using SLIHS 2011 and EMIS

17. A sensitivity analysis was also carried out, relaxing a number of assumptions (results not shown). The study showed that the cost-benefit under the access categories (e.g. access, equity and school grants) supports justification for investment. The net benefit value ranged from US\$10.00 to US\$94.32 equivalent to an IRR ranging from 15 percent (using the lower bound) to 26 percent (using the upper bound) with a discount rate of 10 percent. For the quality-related interventions, based on a discount rate of 15 percent and the benefit and cost streams described above, the NPV seems marginal or negative (ex: access and equity). This is because many benefits cannot be quantified, and the calculation is based on lower bound.

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