

Second Education Quality Improvement Project Additional Financing (EQUIP II AF)
Grant H354-AF / ARTF 093962
(PE-P106259-SPN)
Implementation Support Mission
September 28 – October 11, 2013

AIDE MEMOIRE (AM)

Introduction

1. An Implementation Support Mission (ISM) was conducted for the Second Education Quality Improvement Project Additional Financing Trust Fund (EQUIP II AF) from September 28 - October 11.¹ The mission objective was to review the overall progress made towards the project development objectives and to assess the results achieved in the first year of the Additional Financing phase. The AM is structured in three parts, (i) Key Project Data, (ii) Key Mission Findings, and (iii) Progress on Pilots. Program Component Updates, Financial Management, Procurement, Social and Environmental Safeguards and Results Framework are included as annexes.

2. The mission is grateful to the government counterparts for their efforts and excellent cooperation. We would also like to extend our gratitude to the education sector donors for participating in key meetings.

3. The overall progress of EQUIP II has been steady. The program has benefited from the emphasis on systems strengthening over the past three years. MOE leadership has moved from focusing on day-to-day management issues and fire-fighting to taking more strategic decisions and emphasizing quality related issues.

4. It is important to bear in mind that insecurity has increased throughout the country with many of the districts and provinces coming under threat. In these circumstances, education has become a target for insurgent groups with teachers being threatened, night letters being sent, schools being attacked, and female students and ministry staff being intimidated. MOE is working under increasing pressure to deliver quality services.

Key Project Data

5. As of September 2013, EQUIP II has supported the construction of 442 schools (48 schools using National Competitive Bidding -- i.e. larger and technically complex buildings and 349 schools using Community Contracting i.e. simple structures where construction is managed by communities). Furthermore 416 both CC and NCB schools are currently under construction. It is estimated that 1,838,834 students are currently studying in EQUIP constructed schools, of this number 812,341 (44%) are girls. Overall, there are 9.2 million children enrolled in schools in Afghanistan of which 3.61 million (39%) are girls.

¹ The mission team consisted of Samantha de Silva (Task Team Leader), Yama Noori (Operations Analyst), Abdul Hai Sofizada (Senior Education Specialist), Fawad Shams (Teacher Education Specialist), Aauranima Bhatnagar and Rebecca Haynes (Gender Specialists), Pradeep Valsangkar (MIS Specialist), Jose M. Alvarez (Senior Public Sector Specialist), Kaushik Sarkar (Governance Analyst), Aschkan Abdul-Malek (Consultant), Basant Chhetri (ISD Database Consultant), Zohra Farooq (FM Specialist), Aimal Sherzad (Procurement Specialist), Abdul Mohammad Durani (Social Development Specialist), Obaidullah Hidayat (Environmental Specialist) and Ahmad Rafi Hotofat (Program Assistant). Helge Brochmann (NORAD) participated as a donor representative on this mission.

Under EQUIP I and II, social mobilization activities have been conducted in 13,369 communities which have resulted in setting up of School Management Shuras (parent-teacher associations). (Of that number, 5391 shuras were established under EQUIP I and 7978 under EQUIP II.) These Shuras prepared 13,170 school improvement plans that address the crucial needs of these school and of the learning environment overall. All of the 16,077 schools registered with MOE have been supported by EQUIP through provision of Quality Enhancement Grants for purchase of school supplies, laboratory equipment etc.

Training of all teachers in the system in In-Service Training (INSET I and II) have been completed, with 187,604 teachers trained (100,833 teachers under INSET I and 86,771 under INSET II). INSET training packages are offered to teachers based on a needs assessment and correspond to skill gaps that hinder establishing a productive learning environment. MOE has now started offering more advanced packages of INSET III, IV and V. Moreover, at the management level, MOE has started conducting basic School Management Training programs (SMT I & II). To date over 14,115 principles and school administrators have benefited from these programs. Advanced packages of these training such as SMT III have been offered to 21,277 principles and school administrators. In addition to these training programs, in order to encourage girls' participation MOE has awarded 6234 scholarships to female recipients enrolled in Teacher Training Colleges.

6. The project rating for this period are included below:

Basic Information²	Project Performance Ratings	ISM APR 2013	ISM OCT 2013
Board Approval: January 31, 2008	Achievement of Development Objectives:	MS	MS
Effectiveness Date: March 20, 2008	Overall implementation progress	MS	MS
Additional Financing Date: June 19, 2012 Closing date: August 15, 2014	Financial Management	MU	MS
MTR date: Original: May 2011 Revised: July 2011	Procurement	MS	MS
Amounts:H354 : USD 30 million ARTF: USD 283 million	Project Management	MS	MS
Amount Disbursed: H354: 29.3 million (Closed) ARTF: 184.5 million	M&E	MS	MS
Life of project: 6 years	Safeguard Compliance	MS	MS

Ratings: HS=Highly Satisfactory; S=Satisfactory; MS= Moderately Satisfactory; MU=Moderately Unsatisfactory; U=Unsatisfactory

² Data derived from ClientConnection.

PROJECT COMPONENTS AND MANAGEMENT

COMPONENT 1: SCHOOL GRANTS

1.1 Infrastructure Services

7. Standard designs following Disaster Risk Reduction principles, such as, seismic resilience, fire escape, roof covering for mud walls have been completed based on technical recommendations of the Bank. These standards have been adopted for preparing various work packages covering 2,619 sites, planned to be implemented during 1392. A key concern remains to be adequate supervision despite capacity building efforts being carried out through the third party agencies as well as the recruitment of 247 additional provincial engineers. The mission recommends that supervision is considered a priority and proper site monitoring is undertaken to ensure that the quality of constructions is not compromised.

8. A significant achievement has been determining the missing components and the O&M needs of all the EQUIP schools during the past year. This enables the Ministry to address the infrastructure needs of the schools in a holistic manner, which is indeed a significant step towards creating opportunities for upgrading these schools in later years as the pressure at the higher levels builds up with success at the and increasing enrolment at the primary level. The Ministry is advised to allocate the additional estimated funds of USD 6.44 million to complete the works at 1,001 schools covered under the O&M Plan.

9. DAART's contribution towards capacity building efforts at ISD and in the provinces is found to be significant and useful. The ISD is now moving from the traditional quality control (QC) approach towards more of a quality assurance (QA) method. The mission is pleased to note that ISD has initiated discussions with DAART on revising and developing of technical specifications and construction manuals. To sustain the positive impacts and ensure continuity, the mission recommends extension of DAART's contract. As Article 25 has only recently commenced their work, ISD is advised to hold regular coordination meetings involving the two international firms to achievement optimum results.

10. As the Bank's third party monitoring agent, IRD continues to support ISD in project monitoring and staff training. IRD has completed 871 site visits under Phase-I and II of their engagement. During Phase - III, Sept. 2013 – Aug. 2014, and additional 900 sites covering pilot, missing components, NCB and CC projects will be monitored. ISD has established a systematic approach to addressing deficiencies pointed out by IRD site monitoring. Corrective actions have been taken on 50% of the sites and the remaining are included in the O&M plan. IRD has trained 5 supervisors and 10 field engineers as of August 2013, and the training for the second batch is currently ongoing. ISD finds this training useful and has proposed a third batch of training to be included under IRD for their core staff (20 heads) based in Kabul. ISD has, however, raised their concerns on the sustainability of the training outcomes. The mission recommends the inclusion of this training component under IRD's current ToR as well as the procurement of necessary equipment, such as computers, to ensure sustainability of the training program once IRD's contract is phased out.

11. The development of a real-time project management system is ongoing. Once developed the system will be able to track the disbursement of payments on all construction contracts, generate realistic cost estimates based on completed works, facilitate project preparation, contract administration, and institute a culture of organizational learning. Despite emphasis at all levels, progress on this component has been rather slow. The mission recommends sustained efforts to prepare and being implementing the system within a few months.

1.2 Social Mobilization

12. The Training Needs Assessment of the SMU has been completed. Sample size and stratification appears to be appropriate and so are the training needs identified by the SM team. The mission endorses the cascading approach adopted by the SMU. If milestones (yet to be agreed) suggest that the approach is delivering results, the need to hire a consulting firm might not arise. Preparation for re-initiating the procurement process for hiring consulting firm may be initiated. However, the cascading approach will be scaled up if the initial results are convincing.

13. As noted during the last mission, there are no clear policy guidelines on allocation of number of SMSs to DSMs based on contextual realities. The SMU is undertaking piecemeal and small scale initiatives, which are only appropriate to test various models rather than fulfilling the broader project needs in terms of SM. Furthermore, an overall strategy that clearly outlines objectives, methodologies and results measuring mechanisms at the institutional and individual levels needs to be developed by the MoE. It was agreed that the EQUIP team will develop such a strategy through a consultative process by the end of the current year. The strategy, among other things, should address institutional sustainability of the SM within MoE.

1.3 Gender

14. The gender program has been focusing on strengthening the analytical work and contributing to gender specific evidence base and research. To facilitate this process, a research firm has been identified to assist the Gender Unit in research and policy analysis. The firm will conduct research on school drop-outs in 2011 and 2012 from upper primary and middle grades (6th to 9th grade), with a particular focus on girls in selected districts and provinces. TED will be conducting the teacher placement assessment under the Third Party Evaluation. Inputs from a gender perspective have been provided to address issues around female teacher demographics around urban/rural, by region/province, by grades, creating baselines that can be mapped over time. TED has completed the audit of gender grants to assess incentives to increase the intake and training of potential female teachers. The research specialist is on board the EQUIP Gender team. ToR for hiring a training specialist has been prepared.

15. The enforcement of the 'Mahram' policy is under review to facilitate the increased recruitment and retention of field based staff. Discussions are currently underway with the program leaders of ISD, Social Mobilization, TED and EMIS for gender integration at the national and provincial level and identifying ways to integrate and strengthen gender under each component. The next step is to conduct gender training for the MOE leadership and for the program components. Assessment of the sexual harassment policy and its implementation is underway to establish effective pathways for reporting and disclosure for women at the program levels. Review of the gender training manuals and materials used by different program components has to integrate these into one comprehensive manual. The training plan currently being designed is for the MoE leadership.

COMPONENT 2: TEACHER EDUCATION

16. Having met, and exceeded several of its training targets, the TED now seeks to further strengthen teacher management systems, ensure and improve quality of trainings, and work on system level strengthening to sustain gains made under teacher training programs. A third party evaluation of all TED activities under EQUIP is underway that will identify key issues in the areas of In-service and Pre-service programs, management and administration of processes at TED and TTC level. The evaluation will also look at the various support initiatives such as the Girls Scholarship Program, contract teachers and teacher

placement practices to provide an overall health check on the system, and make recommendations for improvements.

17. In line with the focus on quality and strengthening of systems the TED shall design a Teacher Performance Appraisal Strategy (TPAS) that will be based upon Teacher Professional Standards (TPS), and will make a link with Teacher Career Path (TCP), requiring a reform in the existing teacher career ladder. The TPAS for Afghanistan will take into account teacher job description that will include teacher professional standards and will be based upon: A 360 feedback mechanism, Teacher Portfolio/Reflective Journal, Student Achievement, Principal Review. The TCP will take into account the existing pay and grade system including existing bands and steps, and will also include an additional layer where the teacher may be given the opportunity to become a trainer or senior trainer, and also compete for a principal position. The TCP will be based upon: TPAS, Teacher Course Completion (INSETs), Teacher Experience, Teacher Qualifications

18. The AUAF will be offering a one-year full time MA in Education Leadership for 320 faculty members (25% female) representing all 42 TTCs from 34 provinces. The details on the course, modules and faculty members have been finalized. The program will start in December in 2013 and will conclude in December 2014. If the program is found to be useful, the possibility of expanding it will be explored.

19. Under the DT3 program implemented by three Implementing Partners in 23 provinces, as many as 56,000 teachers and 5,000 principals have received training under INSET III and SMT IV. Before the completion of this phase, an additional 44,000 teachers and 4,000 principals will complete their respective programs. TED with support from TTCs will be directly implementing INSET III and SMT IV in 11 provinces during this phase. At present there are 72,000 teachers (53% female) currently enrolled at the TTCs (both years combined) across the country. This represents pre-service and those in-service teachers who do not have TTC certification. For year 13 alone this year, out of the total candidates enrolled, 74% are female.

20. To strengthen the current M&E systems at TED, the use of mobile and tablets will be introduced as a pilot, allowing field monitors to gather information on their hand held devices while in schools or at TTCs and uploading the information received at the TED IT department for further processing and report generation. This is likely to increase system level efficiency and reduce the unnecessary paperwork for everyone. Establishment of the TMIS is already underway at TED and will be further refined by the expert firm in the coming quarter. Once the TMIS is up and running, it will support the IT based M&E system and will also help keep a professional track of every school teacher, allowing TED to develop needs-based programs.

21. A teacher performance evaluation system that takes into account a teacher performance portfolio, principal review and student achievement is under development and will be used to promote teachers in alignment with course completion that teachers will be required to undergo. The system is in line with the existing Afghan pay and grade system (Ranks 1-8, and 5 steps for each rank), adding formal requirements for performance evaluation and course completion.

COMPONENT 3: PROJECT MONITORING, MANAGEMENT AND EVALUATION

22. A comprehensive program assessment of EQUIP is under way. The assessment aims to find out “the extent to which objectives / results were achieved”, “what worked well”, “what did not”, and “why”, as well as “how to do things better in future”. Two complementary sets of studies are planned. The first set of study will analyze the overall progress in EQUIP PDOs and overall progress in the implementation of school grants as well as social mobilization components. The second set of study is aimed at tracking

the EQUIP funds (PET-QSDS) and an economic analysis of the service delivery improvements. As of now, EOIs were received and evaluated by MOE and shortlisted firms have been asked to submit detailed proposals in October. Evaluation of the proposals is expected to be completed by November.

23. Work on conducting the first ever National Assessment Survey (NAS) of learning (or Learning Assessment) is initiated in the country. The NAS is planned to inform various stakeholders and policies related to curriculum development, revision, pedagogic practices, teacher training, resource allocations and equity improvement. MoE has formed a Learning Assessment Unit to facilitate the first NAS of grade 6 with a view to build capacity of the Ministry to carry out NAS in the future. The Australian Council for Education Research (ACER) has been contracted to carry out grade 6 survey using the state of the art design, with modern scaling methods such as Item Response Theory (IRT) based analysis, scientific sampling methodology as well as capacity development of the LA Unit. In its first phase, learning assessment of grade 6 (end of primary education) will be carried out. This will be followed by grade 3 and 9 in the subsequent years. Assessment of grade 6 will be repeated in the fourth year, which will allow the grade 6 assessment in the first year to be compared to that of the fourth year, and the cohort that was assessed in grade 3 in the second year to be assessed again in grade 6. This way, it will facilitate vertical and horizontal grade and cohort comparisons.

24. Discussions on development and roll-out of Asset Registry for the MoE are progressing steadily. Asset Registry and the associated management system are expected to monitor all the assets and their operations and maintenance needs. The ToR for the Asset Management system was developed by MoE and reviewed by the Bank. WB provided the review comments on the ToR. The ToR has been sent to MoF for review and clearance. MoF is expected to create an overall policy framework to manage assets across all line ministries. Implementation of the asset management system is expected to be outsourced.

22. EMIS is making steady progress. A comprehensive assessment of the EMIS and monitoring mechanisms was carried out recently. The assessment report by the consulting firm is currently under review by the MoE. The report highlights, among other things, development of the necessary applications, data management processes and systems integration. Data validation is regularly conducted and EMIS is in the process of undertaking a third party verification of data in the near future.

PROGRESS ON PILOTS

25. During the mission, designs and implementation modalities of the three pilots were consolidated further. The pilots address key quality gaps that have been identified in the current program – operations and maintenance, girls’ retention, and sub-national level strengthening. The pilots are managed under the third component, Project Management, and will be based on guidelines prepared during the design phase. The pilots will be tested during the AF phase and if successful scaled up under EQUIP III.

I. Operations and Maintenance

26. Mission is pleased to note the significant progress made on O&M. The O&M strategic guidelines developed by ISD outlining the procurement threshold and roles and responsibilities of each concerned entity (MoE center, PEDs, DEDs, school principals and the local School Management Shuras in performing school maintenance activities) has been implemented. A letter of guidance was issued by the MoE to all the PEDs. The designs for most of the schools included under the O&M plan have been completed; however, there is an estimated funding gap of US\$6.44 Million to complete the work. The Ministry is advised to allocate the necessary budget to complete these works as agreed. Also the ToRs for assessing maintenance needs of 5,000 additional schools have been finalized.

27. The MoE has already drafted the ToR for the design and implementation of the Asset Registry System. As a next step, Ministry of Finance needs to review and formally endorse the ToR for implementation. Furthermore, MoF is expected to create a policy framework for management of assets across line ministries in the country.

II. Sub-national Strengthening

28. Severe capacity constraints exist at the sub-national levels which seriously affect service delivery at the provinces. Some of the most significant of these constraints have been identified and confirmed by the preliminary results of a study financed by the Bank on the binding constraints to service delivery in Afghanistan, which includes a field analysis of the current situation of a sample of PEDs. Among other serious problems, there is information confirming that PEDs are not distributing resources among the different districts which has led to a strong concentration of resources at the provincial capital and that the staff of PEDs do not have the means to visit schools regularly. This confirms the findings of the field visit to Kapisa conducted during the EQUIP mission in April. As a first step, it is important to undertake a mapping of the key players, reporting mechanisms, functions and institutional arrangements at the provincial and district levels and their roles vis-à-vis the centre. In the same way, activities that should be delegated to the various levels (centre, province, and district) needs to be understood more thoroughly.

29. The mission was pleased to review the ToR for a third party assessment of Education Governance at the Subnational Level, as well as the ToRs for a position of Sub-national Governance Project Facilitator & Reporting Specialist prepared by the Ministry. The mission has also drafted a questionnaire on the PEDs' functions, resources, and structures that will be incorporated into the assessment of eight provinces as samples. The mission considers that such activities will strongly contribute to the identification of the de facto situation at the sub-national levels as a basis for designing a realistic strategy focused on strengthening of the decentralization processes in education.

III. Conditional Cash Transfer to promote retention of girls in schools

30. The primary objective of the CCT pilot is to address the issue of drop-outs and promote the retention of girls in upper primary and lower secondary levels of school through the use of conditional cash transfers. The pilot, through which cash transfers will be made over a 2-year period, will target approximately 16,000 extremely poor girls who are attending school in grades 5, 6 or 7 in 2013-2014, or who have dropped out of school in the past two years but have completed grades 5, 6 or 7. An impact evaluation will be conducted to test the effectiveness of the CCT in meeting its objectives.

31. The procurement process for a specialized consulting firm to complete the design proposal, develop Operations Manuals and technical documents and to develop basic communication materials and a Management Information System for the project is underway. The firm will also provide technical support to the MoE's CCT team in implementing the pilot. The procurement process will be completed by the end of December 2013. Meanwhile, MoE is forming a core CCT team that will be responsible for the implementation of the pilot and will work closely with the specialised firm once it is on board. The MoE CCT team has started collecting data at school level in two of the six selected districts for the CCT pilot. Data collection in all six districts will be completed soon. To familiarize the MoE CCT team with successful CCT models around the world, a study tour to Turkey was organized by the Bank in September for the MoE and MoLSA CCT teams.

KEY MISSION FINDINGS

I. Institutional arrangements and Implementation Issues

32. **Project Extension:** It was agreed to extend the closing date of the project from August 2014 to August 2015. The extra time will allow for the disbursement of the Additional Financing of US\$250 million. The extension will also allow for the results of the Program Assessment of EQUIP II and Learning Assessment to be incorporated more systematically into the design of EQUIP III. Preparation of EQUIP III is expected to begin in 2014 and launched in mid-2015.

33. **Financial Management:** MOE has been successful in addressing several key bottlenecks that were identified during the last mission which hindered smooth disbursement. The MOE, the Ministry of Finance and the Bank have worked together to improve the system. Consequently, the majority of outstanding advances at provincial level have been liquidated (a commendable task on the part of the MOE given that much of it was in insecure provinces). MOF has taken several steps to streamline the process of coordination between MOF and line ministries including MOE, one of the largest line agencies. As a result of improved performance in this area, the Bank has agreed to raise the Designated Account ceiling from US\$17 million to US\$30 million which allows for smooth funds flow, especially to provinces. It is important that the FM team a) maintains the level of progress by identifying interventions to ensure that the bottlenecks that hindered progress are addressed and b) ensures that liquidations are on track given the higher threshold for DA ceiling.

34. **Investigations and Audits:** MOE procurement process has been affected by interventions from several investigating and audit agencies. These agencies are:

NO	Audit Entity	Duration of Audit	Report Back
1	High Office of Oversight and Anti-corruption	Several times	No
2	Supreme Audit Office	3-4 Months	Yes
3	Attorney General's Office Investigation	Several times	No
4	Attorney General's Office Monitoring	Several times	No
5	82 Office of the NDS	Several times	No
6	Internal Audit Directorate of MoE	1+ Month	Yes
7	Accountability and Transparency Office of MoE	Several times	No

MOE leadership is requested to agree with relevant authorities to ensure that audits of EQUIP happen according to the Financing Agreement (annual audit by the Supreme Audit Office and external audit).

35. **Special Procurement Committee.** Article 48 of the Afghanistan Procurement Law states: *"Contract modification that would increase the value of the procurement contract by up to twenty five percent (25%) may be approved under the relevant procedures and by the appropriate award authority."* This meant that during contract implementation, line agencies are expected to obtain SPC clearance in the event that a modification is more than 25% of the original contract. Modifications of less than 25% could be cleared by the Deputy Minister or Minister of the line agency depending on the amount of modification. If the amount of modification (not the total amount including original and modification) but just the modification amount exceeds the threshold limit of the Minister, the line agency was expected to obtain SPC clearance. However, at present this practice has become much more complex and line agencies are being asked to obtain SPC approval for each and every modification irrespective of the amount for all contracts approved by the SPC. This is seriously delaying the procurement process and by definition disbursement.

36. **Operations and Maintenance:** Up until now, O&M has been one of the most neglected areas in the education sector. Both MoE and donors have focused primarily on capital investments while O&M (budgeted as Afs 125 per student) has been seriously under-funded. MOE has been a pioneer in the development of a policy framework as well as an implementation strategy for O&M within the country. More importantly, the recently approved strategy is being implemented at all levels of the Ministry, which has helped to decentralize the O&M management to school, district and provincial levels. It is important to clarify that while the O&M system is being developed through EQUIP financing (i.e., development budget), the actual O&M expenditure is being financed through the ordinary budget. The end goal is to move towards a norm-based budgeting system in line with international standards.

37. **Asset Management System:** A critical component of an effective O&M system is the asset management mechanism. In order for this to be developed and for MoE to modernize the existing system (the manually operated asset management mechanism), MoE must work in close collaboration with Ministry of Finance. MoF must in the near term determine a policy for developing the asset management system that would cover the needs not only of the MoF but also of other line agencies. This requires setting the parameters for the scope, architecture, and size of the system.

38. **HR Management:** The mission notes that the current HR practices must improve dramatically in several areas. Currently the HR team is still interfering in the hiring decisions of EQUIP-funded staff. While the role of HR is to oversee the process, the hiring department must be fully in charge of interviewing and selecting the recruits. For example, the hiring of District Social Mobilisers seems to have been “hijacked” by the HR Unit. This affects the program not only in terms of quality of staff but also in terms of transparency and accountability. However, there has been some progress with the hiring of the international HR firm. The intention is to put in place a sound HR system that also includes a performance appraisal component.

39. **Gender:** MOE continues to struggle with hiring of female staff at all levels. Again, whereas other Bank-funded projects are able to attract professional women, the HR unit at MoE seems to not consider this a priority. The mission would like to note that the 30% female hiring quota is to be seriously taken into consideration. Going forward, HR management performance would be measured by how well they meet these targets.

II. Assessing Quality of the Program and Capacity Building

40. **Program Evaluation of EQUIP II:** will assess progress towards achievement of key PDO level outcomes in terms of equitable access, quality of education and service delivery as well overall progress in the implementation of project components. TORs for the evaluation were finalized during this mission and findings of the assessments are expected to be ready by March 2014. The Research and Evaluation Unit at the Planning Department of the MOE will lead these efforts. In addition, a **third party evaluation of all TED** activities under EQUIP is in progress that will identify key issues in the areas of In-service and Pre-service training programs, as well as management and administration of TED and Teacher Training Colleges. Furthermore, a **school performance assessment** will soon be underway to assess the ‘functionality’ of schools such as teachers’ presence in the classrooms, availability of textbooks, student participation, utilization of school materials including lab equipment and computers, school and classroom administration.

41. **Analytical Work:** Several key analytical pieces will be undertaken as part of the assessment work including a) Public Expenditure Tracking and Quality of Service Delivery Survey (PET-QSDS); b) cost-benefit analysis; c) drop-out study primarily focusing on girls in upper primary and middle grades

(6th to 9th grade); d) assessment of Education Governance at Sub-national level which will feed into the work on provincial capacity strengthening.

42. **National Assessment Survey (NAS) or (Learning Assessment):** The Australian Council for Education Research (ACER) has been contracted to help establish a National Assessment Framework and help MoE's Learning Assessment Unit conduct National Learning Assessment survey of Grade 6 this year. The overall program goals are to build capacity at MOE and inform policy priorities, such as, improving quality of teacher education, curriculum development, issues of equity and resource distribution. The specific purpose of the assignment is to a) design and implement the first sample-based national assessment study of the learning outcomes of children for grades 6 and 3, b) design and implement capacity development initiatives to support the Learning Assessment Unit and MoE's line departments and, c) guide, advise and support the MoE in establishing a National Learning Assessment system. Field trials for grade 6 are completed and the actual survey is expected to begin in late November. The first part of the ACER LA contract is being financed under EQUIP II, while the second part could be financed under EQUIP III. The LA exercise is a long-term intervention. EQUIP coordination unit needs to ensure that no delays are encountered in facilitating logistics, personnel and resources for the planned field activities for the assessment.

43. **Coordination with Other Donor-funded Projects within MOE:** Currently there are several donor-funded initiatives within MOE including UNICEF WASH program, GPE, and World Bank Female Youth Employment Initiative. Overall, at the technical level, there is close coordination between these programs and EQUIP. An example is the close collaboration between EQUIP ISD and WASH on technical standards of schools. Lessons from the GPE social mobilisation work in insecure districts will be incorporated and up-scaled through EQUIP. In addition, coordination at the management level is maintained through forums such as HRDB and the technical working groups.

44. **Public- Private Partnerships:** MOE has ensured systematic capacity building of government staff/systems as well as delivery of services through an impressive range of partnerships and linkages with private sector agencies and civil society organizations. For example, nearly all of the TED Teacher Training is delivered through contracts with both national and international NGOs, mobile technology is being used in partnership with Afghanistan Reliable Technology Services, American University of Afghanistan has been engaged to provide Masters for Teacher Training faculty, and ISD has agreements with both DARRT and Article 25 for capacity building in the area of construction monitoring and construction management, respectively.

ANNEX 1: FIDUCIARY

I. Financial Management

45. **Financial Reporting:** The Interim Un-audited Financial Reports have been simplified and the format has been shared with the project. The project has been submitting the IFRs in the new format, however, the submissions were late. A workshop was conducted during the mission to provide training on IFR preparation and reporting to address the bottlenecks. Relevant monthly reports are being prepared for internal purposes.

46. **Petty Cash:** Further to the last mission and request from the project, the petty cash threshold has been raised to US\$ 20,000 with a single transaction being not more than US\$ 1,000. This arrangement was approved by the MoE and communicated to MoF through the M-50 form.

47. **Operational Advance:** As of May 1, 2013, operational advances for an amount of AFN 147,671,082 and AFN 87,669,619 were outstanding with the project units for provinces and center respectively from SY 1388 up to SY 1391. The liquidation of these advances was pending for various reasons such as incomplete documentation, discrepancy in physical progress versus financial progress and failure to follow procurement procedures. During the last mission it was agreed that all advances up to SY 1391 would have to be liquidated by October 18, 2013 by the project. Out of the total of AFN 235,340,701, the project has liquidated AFN 192,753,406 to date which represents 82% of the total balance. The remaining balance of AFN 42,587,295 will also be liquidated before the year end.

48. **Disbursement:** The project had been very successful in disbursing the grant funds in the previous years, however, due to the sudden changes during the fiscal year 1392, as the budget department of MoF introduced new procedures, the allotment process was delayed significantly and the project was not able to make any payments for the first three months of the year. Furthermore, since the project had outstanding advances as of SY 1388, MoF refused to accept replenishment applications until substantial amount of these advances were cleared. The project also faced shortage of funds as it could not replenish the designated account and most of the funds were with Mustofiats which could not be cleared for various reasons. The issue of incomplete CC contracts, missing supporting documents and insecurity in provinces all led to delay in liquidation. The project made great efforts to resolve all the outstanding issues that hampered the disbursement successfully. More than 82% of the operational advances were liquidated, incomplete CC contracts were resolved, balances were recovered from provinces and refunded, and dedicated FM officers were recruited for each province to streamline the process. All these efforts resulted in increase in disbursements. The project disbursed US\$ 41 million for the nine months of the year 1392. The project expects to disburse approximately US\$ 80 million till the year end which is more than 50% of the approved budget of US\$ 144 million despite all the challenges. In order to improve the disbursement rate further, the project has held senior level meetings with MoF and major issues causing delays in disbursement were discussed. MoF has agreed to cooperate with the project and address all the issues that the project is facing. MoF also agreed to increase the number of controllers placed in MoE to speed up the process of control at MoE. A dedicated FM team has also been developed at MoE finance unit which consists of EQUIP budget and finance focal points, budget and finance liaison officers, provincial liaison officers and liquidation officers. Provincial officers were also recruited for each province.

49. **Project Special Account:** The project had requested the Bank to increase the ceiling of the special account from US\$ 17 million to US\$ 30 million. The justification provided for this request was that since most of the payments from the special account are towards advances to provinces which cannot be liquidated in months, therefore, the balance in ARTF gets reduced substantially and delays the payments. The request was reviewed by the Bank and the revised disbursement letter has been issued for a ceiling of US\$ 30 million.

50. **Budgeting:** The approved budget for the fiscal year 1392 (December 21, 2012 to December 20, 2013) was US \$ 144,396,510. The project has till date disbursed US\$ 41,412,992 which represents 29 % of the approved budget. However, the project has received allotments for US\$ 58,694,596 which is 41 % of the approved budget. The project anticipates that, as per the activities and procurement plan, it will be able to disburse approximately US\$ 80 million for FY 1392. For detailed reasons of slow disbursement refer to the disbursement section.

51. **Internal Audit:** Internal audit is a key management tool to strengthen internal controls and enhance fiduciary assurance. The Internal Audit Department of the Ministry is supported with consultants funded by DANIDA and the Bank. The consultants undertook the first internal audit of the project covering the first quarter of 1390 (March 21 to 20 June 2011) and the report was submitted to the Bank for review. No major issues were raised in the audit report and MoE had agreed to all the suggestions of the internal auditors. The audit for the remaining quarters of SY 1390 has been completed and shared with the Bank. The Department is currently performing the audit of FY1391, which will be completed soon. The Department has recruited an international audit advisor to assist in capacity building of the

national staff. The advisor is expected to come onboard soon. Operational audits were also performed during the year which provided great insight into the problems and challenges the program is facing in provinces. The trainings provided will be both theoretical and practical along with close supervision.

52. **External Audit:** The project's audited financial statements and management letter for period ended December 20, 2012 (FY 1391) were due by June 22, 2013. The audit report was submitted before the due date and the auditors issued an unqualified (clean) opinion in the audit report. However, the management letter highlighted many internal control issues. These have been communicated to MoE for their response and necessary action within 60 days.

53. **Project ISR FM Rating Moderately Satisfactory**

II- Procurement

54. During the ISM in October, 2012, the Bank procurement team conducted a detailed procurement risk assessment (PRA exercise). Capacity constraints, unnecessary additional procedures and absence of a contract management system were identified as some of the key obstacles. The mission noted that many of the additional internal processes were removed, except the MoF control (visa) requirement.

55. Procurement continues to carry bottlenecks in many areas such as finalization and awarding of works contracts. Lack of coordination with other departments delays finalization of evaluation reports. Recruitment of key staff continues to lag behind. Often, due to unrealistic cost estimations many projects were re-tendered and Procurement Department was not able to finalize them on time.

56. It is worth noting that a contract management department has been established and competent staff has been recruited. Work on developing a sound contract management manual along with all the necessary formats have begun. Application of these formats and procedures remains a challenge and requires more concerted efforts. MoE has developed a system for complaints and log book for complaint registration is also available now. The revised Procurement Plan was reviewed and discussed during the mission.

57. **Project ISR Procurement Rating Moderately Satisfactory**

ANNEX 2: ENVIRONMENTAL AND SOCIAL SAFEGUARDS

58. A new Safeguards Focal Point was appointed in September and the MoE plans to take action on tasks highlighted in the last AM. This includes installation of 315 complaint boxes, conducting ESS training in five regions and documentation of land for 100 schools by the end of April 2014.

59. The mission was informed that a draft Grievance Redress Mechanism (GRM) is under preparation and will be shared with the Bank for review by the end of November. The issue of developing functional GRM has been raised in AMs since 2011. It is urgent to finalize and fully mainstreamed GRM across the program. According to the IRD report, the GRM was seen in only two of the 197 sites visited during Jun-August, 2013. Once a central GRM is established, EMIS should include complaints data processing in its regular reporting system.

60. The project needs to coordinate more closely with ARAZI to identify necessary steps for transferring land title from private to government, and between government institutions by October, 2013. This has not yet been done. The IRD report has identified that construction progress was hampered in some projects due to land issues where land owners were unwilling to donate the land and the communities were unable to pay the amount of money demanded by the land owners. It is recommended that before physical work can start on any site, land issues must be resolved and documented.

61. The mission has observed notable progress in Safeguards management since the new Safeguards Focal Point was appointed. However, progress has been mostly at the administrative level. A training schedule has been developed, pending approval of the budget in the project's plan. The Focal Point has developed a handbook, which covers safeguards issues to be considered and followed by the program. Coordination between the Safeguards Focal Point and ISD has improved. The mission observed issues

related to health safety and hygiene in schools (such as lack of proper sanitation particularly in overcrowded schools).

62. In order to enhance the basic Safeguards requirements for the project, the Bank Safeguards team will conduct a refresher introductory presentation for the MoE/EQUIP management. The Bank team will also assist in planning a series of trainings, targeting the provincial focal points and EQUIP Officers. These trainings would be conducted in Kabul and in the regions. To follow up on, address and rectify issues identified by IRD, the Bank team will conduct regular monthly meetings with the EQUIP Safeguards Focal Point.

63. **Project ISR Environmental and Social Safeguards Rating Moderately Satisfactory**

ANNEX 3: RESULTS FRAMEWORK AND MONITORING

Project Development Objectives: To increase equitable access to quality basic education especially for girls through schools grants, teacher training and strengthened institutional capacity with support from communities and private provider

Theme	Promoting equitable of access basic education	Improving the quality of education	Strengthening project Management, delivery of education services and M&E
PDO level indicators	<ul style="list-style-type: none"> Increase in enrolment of both Boys and Girls Improvement in Gender Parity Index 	<ul style="list-style-type: none"> System for monitoring Learning levels regularly and adequately established 	<ul style="list-style-type: none"> Dissemination of information on school finance, administration and pedagogical issues
Component level Indicators	<p>Component 1: School Grants</p> <ul style="list-style-type: none"> Improved Physical learning environment – adequate number of classrooms, toilets, drinking water facilities, Library and laboratory facilities, etc Student Classroom ratio Primary to Secondary schooling facilities 	<p>Component 1: School Grants</p> <ul style="list-style-type: none"> Availability of learning / teaching materials (text books, teachers’ guides, learning aides etc Class- based assessments of student achievements in Dari, Pashto and Mathematics 	<p>Component 1: School Grants</p> <ul style="list-style-type: none"> Disbursement performance under two types of Quality Enhancement Grants and Infrastructure Development Grants Number of schools having received school grants Number of schools with school <i>shuras</i> formed
	<p>Component 2: Teacher and Principal Education</p> <ul style="list-style-type: none"> Increase in female/male teacher ratio Pupil Teacher Ratio 	<p>Component 2: Teacher and Principal Education</p> <ul style="list-style-type: none"> Percentage of total teachers who received training under: <ul style="list-style-type: none"> Basic knowledge training (INSET I) Content-knowledge training (INSET II) 	<p>Component 2: Teacher and Principal Education</p> <ul style="list-style-type: none"> Percentage of total principals trained Number of students in TTCs receiving scholarships
			<p>Component 3: Monitoring and Evaluation</p> <ul style="list-style-type: none"> Disaggregated data on school level indicators – school infrastructure, fund flows, enrolment, teachers and learning available

ARRANGEMENT FOR RESULTS MONITORING (CUMULATIVE TARGETS)

	Unit of Measure	Policy domain	Years					Frequency	Data Source/ Methodology	Responsibility for Data collection	Description (indicator definition etc.)
			Previous year 2010-11 (1389)	Baseline 2011-12 (1390)	2012-13	WB projections 2013-14	NESP III projections 2013-14				
I. Core Outcome Indicators											
1. Enrolments (Number of beneficiaries)		Access & gender equity						Yearly			
Grades 1-3	#		2,866,962	3,046,489	3,515,912	3,300,000	3,670,000		EMIS, Dept of Statistics MOE	Disaggregated by gender, and primary, lower secondary and higher secondary	
Boys	#		1,684,370	1,783,619	2,054,694	1,900,000	2,100,000				
Girls	#		1,182,592	1,262,870	1,461,218	1,400,000	1,570,000				
<i>Proportion of females among beneficiaries</i>	%		41.2%	41.5%	41.56%	42%	43%				
Grades 4-6	#		2,245,766	2,245,135	2,593,650	2,280,000	2,270,000				
Boys	#		1,381,045	1,366,172	1,576,902	1,400,000	1,360,000				
Girls	#		864,721	878,963	1,016,748	880,000	910,000				
<i>Proportion of females among beneficiaries</i>	%		38.5%	39.2%	39.20%	39%	40%				
Grades 7-9	#		1,447,042	1,465,558	1,691,224	1,500,000	1,780,000				
Boys	#		948,442	952,238	1,100,124	955,000	1,120,000				
Girls	#		498,600	513,320	591,101	545,000	660,000				
<i>Proportion of females among beneficiaries</i>	%		34.5%	35.02%	34.95%	36%	37%				
Grades 10-12	#		541,691	725,320	843,154	750,000	870,000				
Boys	#		377,692	478,672	558,230	490,000	550,000				
Girls	#		163,999	246,648	284,924	260,000	320,000				
<i>Proportion of females among beneficiaries</i>	%		30.3%	34.0%	33.79%	35%	36%				
2. Ratio of Girls to Boys											
	Ratio	Equity						Yearly			
Grades 1-3			0.70	0.71	0.71	0.73	0.75		EMIS	Dept of Statistics, MoE	Number of girls /Number of boys
Grades 4-6			0.63	0.64	0.64	0.64	0.67				
Grades 7-9			0.53	0.54	0.53	0.57	0.59				
Grades 10-12			0.43	0.50	0.51	0.53	0.58				

	Unit of Measure	Policy domain	Years					Frequency	Data Source/ Methodology	Responsibility for Data collection	Description (indicator definition etc.)
			Previous year 2010-11 (1389)	Baseline 2011-12 (1390)	2012-13	WB projections 2013-14	NESP III projections 2013-14				
3. Number of students completing the last grade of a stage	Number	Efficiency									
Grade: 3				582,729	697,901	590,000	740,000		EMIS	Dept of Statistics, MoE	Disaggregated by gender, and primary, lower secondary and higher secondary
Boys				344,021	397,804	348,000	430,000				
Girls				238,708	300,098	242,000	310,000				
Grade: 6				376,555	447,065	380,000	480,000				
Boys				231,018	268,239	233,000	290,000				
Girls				145,537	178,826	147,000	190,000				
Grade 9				265,523	313,984	268,000	336,000				
Boys				165,492	194,670	167,000	205,000				
Girls				100,031	119,314	101,000	131,000				
Grade 12				103,622	178,635	110,000	176,000				
Boys				71,832	109,336	73,000	120,000				
Girls				31,790	69,299	37,000	56,000				
4. Learning Assessment*		Quality									
			No Learning Assessment System	Agreement in Ministry to set up a LA System	The program began in January 2013 and LA of Grade 6 started in May 2013.	Grade 6 Assessment completed	Grade 6 Assessment completed		Third Party / ACER	Collaboration with Planning / Learning Assessment Unit	

	Unit of Measure	Policy domain	Years					Responsibility for Data collection	Data Source/ Methodology	Description (indicator definition etc.)
			Previous year 2010-11 (1389)	Baseline 2011-12 (1390)	2012-13	WB projections 2013-14	NESP III projections 2013-14			
II. Detailed Output Indicators										
1. Student-Classroom Ratio (after adjusting for shifts)	Ratio	Access		74	73	70	70	EMIS	MoE	
2. Pupil Teacher Ratio	Ratio			43	46	41	45	EMIS	MoE	
3. School infrastructure:	Ratio	Access								
3.a. Number of additional classrooms built or rehabilitated at the primary level resulting from project intervention	#	Access	1814	1,011	193	7330	7330	EMIS	MoE	
3. c. # of operational toilets per 100 students	Ratio			0.43	0.44	0.45	0.45	EMIS	MoE	
3.d. Proportion of schools with drinking water facilities	Ratio			0.65	0.70	0.66	0.66	EMIS	MoE	
3.e Proportion of secondary schools with Science Labs	Ratio			0.17	0.26	0.20	0.20	EMIS	MoE	
4. Teacher related										
4.a. Number of additional qualified primary teachers resulting from project interventions	#	Quality	156,683	30,421	3,832	32,000	32,000	TED	MoE	
4.b. Proportion of schools with all required number of subject specific teachers	Ratio	Quality		NA						
4.c. Proportion of teachers with professional qualifications	Ratio	Quality+ capacity		0.24	0.38	0.25	0.25	EMIS	MoE	
4.d. Proportion of female teachers	Ratio	Quality+ equity		0.45	0.46	0.47	0.47	EMIS	MoE	
4.e. Number of teachers who have received INSET I training (cumulative so far)	#	Quality+ capacity	91,113	93,306	100,833	100,000	100,000	TED	MoE	Ended on 31 July 2012
4.f. Number of teachers who have received INSET II training (cumulative so far)	#	Quality+ capacity	9,513	74,205	86,771	100,000	100,000	TED	MoE	
4.g. Number of teachers who have received INSET III, IV & V training	#	Quality+ capacity		0.00	25,202	140,000	140,000	TED	MoE	

	Unit of Measure	Policy domain	Years					Responsibility for Data collection	Data Source/ Methodology	Description (indicator definition etc.)
			Previous year 2010-11 (1389)	Baseline 2011-12 (1390)	2012-13	WB projections 2013-14	NESP III projections 2013-14			
4.g. No. of female scholarships recipients in TTCs (cumulative so far)	#	Quality+ capacity	585	3,328	6,234	5,000	5,000	TED	MoE	
5. No. of principals and school administrators completing management training program (SMTs) (Cumulative so far)	#	Quality+ capacity	5,450	7,056	21,277	14,000	14,000	TED	MoE	SMT I to 7,059 SMT II to 7,056 And SMT III to 21, 277 principals and schools administrators provided.
6. Number of schools with school <i>shuras</i> formed (Cumulative so far)	#	Capacity	6,205	7,133	13,219	13,969	13,969	EMIS	MoE	
7. Proportion of schools receiving Quality Enhancement Grant	Ratio	Management	0.64	0.75	0.99	1.00	1.00	SMU	MoE	QEG distribution in 2013 is not included in the report.
8. Proportion of schools receiving Infrastructure Enhancement Grant	Ratio	Management	0.02	0.024	0.027	0.067	0.067	ISD	MoE	
9. Average number of school functioning days	#	Access+ Quality	193	188	193	188	188	EMIS	MoE	
10. Average student attendance rate	Ratio	Access+ Quality	78%	82%	83%	84%	84%	EMIS	MoE	
A. Project Management, M&E										
C.1. 5% sample check of School EMIS carried out	Action				15% Sample check		Yearly		National level	
C.2. No. of schools with school <i>shuras</i> evaluated	#	Management		1,879	0		Bi-annually	SMU	MoE	
C.3. No of Schools with School Information/ Report Card piloted	#	Access+ Quality			73			SMU	MoE	

Note: Project Management and M&E indicators, targets etc. will be consolidated further during 2013