

DATA SHEET
Ghana – Education Sector Project

Date: May 12, 2009		Task Team Leader: Peter Darvas			
Country: Ghana		Sector Manager/Director: Eva Jarawan			
Project Name: Education Sector Project (EdSeP)		Country Director: Ishac Diwan			
Project ID: P050620		Environmental category: B			
Borrower: Republic of Ghana					
Responsible agency: Ministry of Education					
Revised estimated disbursements (Bank FY/SDRm)					
FY	2008	2009	2010	2011	
Annual	7.05	11.29	8.47	1.41	
Cumulative	31.53	42.82	51.29	52.70	
Current closing date: October 31, 2009					
Revised closing date: October 31, 2011					
Indicate if the restructuring is:					
Board approved ___					
Does the restructured project require any exceptions to Bank policies?					No
Have these been approved by Bank management?					N/A
Is approval for any policy exception sought from the Board?					No
<u>Revised project development objective/outcomes:</u>					
The revised Project Development Objectives are to (i) improve equitable access to and completion of basic education in deprived districts; and (ii) improve quality of teaching and learning, management efficiency and relevance of post-basic education					
<u>Outcomes:</u> Performance and access will be measured by:					
(i) Primary Gross Enrolment Rate in deprived districts increases					
(ii) Gender Parity Index at Primary Level in deprived districts improves					
(iii) Primary Completion Rate in deprived districts increases.					
(iv) Supported Programs under TALIF show improvements in teaching, management efficiency or learning outcomes					
(v) 75 % of new polytechnic and post graduate programs assessed as satisfactory.					
(vi) Skills Development Fund (SDF) mechanism is functional					
Does the restructured project trigger any new safeguard policies? NO					
Revised Financing Plan (mSDR.)					
Source			Total		
Borrower			6.30		
IDA			52.70		
Others			0.00		
Total			59.00		

Restructuring of the Ghana – Education Sector Project

Project Paper

A. Introduction

1. This Project Paper seeks the approval of the Executive Directors to introduce the following changes in the Ghana Education Sector Project (EdSeP), Credit No. 3865-GH (Project ID P050620) of SDR 52.7 million and accompanying amendments to the project's legal documents.

2. The proposed changes include: (i) revisions to the project development objectives; (ii) introduction of new activities and improved alignment of planned activities with the national sector strategy; (iii) revisions to outcome and output indicators and targets; (iv) a reallocation of Credit proceeds; and (v) a two-year extension of the project's closing date from October 31, 2009 to October 31, 2011.

3. The revisions in the development objectives are more consistent with the original project design and more relevant in terms of the Government's evolving sector priorities. The reallocation of funds responds to emerging needs including the need to reconstruct schools destroyed by floods in 2007 and to develop capacities in skills development. The extension would allow the project to implement some activities that were hindered by the slow implementation of the overall decentralization of public services, to firm up efforts in deprived districts and also to better monitor the outcomes of other activities that are initiated to achieve the revised Project Development Objectives (PDOs).

B. Background and Rationale for Restructuring

Sector Context

4. Since appraisal, Ghana has enjoyed fast economic growth, and improvements in accessing basic educational services. As a result, demand for post-basic education has increased and so has the need to improve links between the world of work and the world of education. The new National Education Reform Program (NERP) attempts to tackle these challenges in the context of the decentralization process of public services taking place in the broader framework of public administration. Although this process has not progressed as fast as it had been expected at project appraisal, some new Government priorities have emerged in the process, including the need to strengthen further the capacity at the district levels. This is warranted in view of the importance of their role in achieving more equitable access and also efficiencies in education

5. Over the last five years, Ghana has progressed in improving higher education. This includes increases in enrollment and private financing of education as well as innovations such as the Students' Loan Trust, increase in the internally generated revenues especially through user fees. Despite these successes, a widely adopted medium term higher education financing strategy that focuses on outcomes is still not formulated for it would have created undue tensions in the sector.

6. On September 11, 2007, the implementation of the NERP started. The Program calls for changes in the higher education system to make it more relevant to the key economic and employment priorities of the country. Therefore, higher education finance needs to be developed within this broader policy context.

7. The economic growth also led to increased demand for skilled professionals which the existing technical and vocational education institutions cannot fully supply because of management efficiency short comings and dissociation from market requirements. The Government is committed to expand technical and vocational education and skills training (TVET). This expansion also needs to make vocational and technical skills training more relevant and better aligned with the requirements of the job market.

8. Following the August 2007 floods, the emergency situation in Northern Ghana required the fast action of the Government to focus on the livelihood and access to services by the affected population. The region also represents the poorest part of Ghana. Consequently, the Government initiated several steps, including refocusing its own resources and engaging the development partners to target external funding towards the Northern regions.

9. Finally, the Government initiated the revision of the Education Strategic Plan that requires new policies and new forms of financing for all levels, especially for post-basic and tertiary education.

Project Background

10. The IDA Executive Directors approved the project on March 9, 2004, and it became effective on March 25, 2004. The original objectives were to: (i) promote equitable access to, and efficient delivery of quality services in pre-tertiary education; and (ii) foster innovation, relevance, quality and efficiency in tertiary education. In the original design the target groups of the interventions were: (i) central and local agencies of education administration and management; (ii) district education offices, and primary and junior secondary schools in 53 deprived districts; and (iii) all tertiary institutions of the country. It included three main components (respectively Parts A, B and C in Schedule 2 to the Development Credit Agreement): (i) sector capacity building partly for the central agencies of education management, partly for the 53 deprived districts; (ii) a pilot programmatic scheme to provide programmatic funding to the 53 deprived districts to implement activities planned in their Annual Program of Work; and (iii) a tertiary education innovation scheme involving demand driven grants to universities, polytechnics and private higher education institutions to support institutional initiatives

improving teaching, learning and management as well as to start new polytechnics as well as post-graduate programs.

11. The project is in compliance with the key covenants agreed upon in the Development Credit Agreement, and there are no outstanding audits, although there have been some delays in completing some audits and management letters. IDA, however, has addressed these delays through regular supervision. Schedule 4, Section 2 of the Agreement required that by June 1, 2005 the Borrower submit to IDA a sustainable and equitable financial strategy for the tertiary education sub-sector and implement this strategy taking into account IDA's comments. Some elements of a financial strategy have been introduced, but the development of a comprehensive strategy was postponed. The Government proposed this postponement so that the financial strategy is better aligned with its NERP and human resource development strategy. Accordingly, the Government requested that a new intermediary outcome indicator will target the adoption of a higher education policy with targets on equity, efficiency, quality, relevance, and accountability.

12. The project has performed well in terms of achieving the key objectives related to basic education, although it had slow disbursement in the Pilot Programmatic Scheme component of the project. This is largely due to the slower than expected overall decentralization process of public services in the broader framework of public administration reform agenda. The activities piloted by the project underlined the importance of the role of districts in achieving more equitable access and also efficiencies in education. Consequently, improving the capabilities of the deprived districts has proven to be more important in achieving the PDO.

13. Education was clearly ahead of the rest of the public sectors by defining sector-specific roles and responsibilities for central, regional and district level governmental agencies, by decentralizing the Education Management Information System, by carrying out regional sector performance reviews and by empowering the District Education Offices to define and implement their Annual Programs of Work. Many of these were strongly assisted by EdSeP financed activities. However, other key steps in the decentralization that were beyond education were constrained by Governmental inaction, such as the division of work between District Assemblies and District level administrative units, the larger scale devolution of financial resources or regulations for local level revenue generation. In all, the EdSeP has been instrumental in preparing the various sector agencies to an eventual overall decentralization program, consequently, the sector expects less disruptions in service delivery when all hurdles in front of decentralization are removed.

14. In line with its general policy to provide focused support to the rehabilitation of the Northern regions, the Government requested that districts affected by the floods receive more support to reconstruct schools damaged by the floods through their Annual Programs of Work. Action to refocus IDA to attend rebuilding destroyed schools is not only a sensible approach to achieve the PDO but is also clearly pro-poor.

15. At tertiary level, the establishment of the Teaching and Learning Innovation Fund (TALIF) contributed to the improved policy environment by introducing demand-side financing. Its implementation progressed well. However, measuring the expected outcomes on tertiary education has remained challenging. The key reasons have included the fact that the TALIF design entailed a demand-driven approach in which institutions themselves define their own strategic objectives and central priorities play less important roles in the institutional proposals. Secondly, the originally agreed outcome indicators required a lag-time between investments and results that would be longer than the EdSeP implementation period itself. Thirdly, some of the original indicators lacked realism, as they targeted improved employment at times when there are factors beyond tertiary education constraining employment opportunities.

16. At mid-term review¹, the Government decided to set up a more rigorous implementation schedule for pre-tertiary education, concentrate capacity building on 53 deprived districts and strengthen monitoring and evaluation for the tertiary education component. The impact of these changes has started to show during the second half of 2007 as disbursement has accelerated and the implementation of capacity building has speeded up. Based on the experience of four years of implementation, the elaborate and complex monitoring system that was built on the original results framework calls for a simplified and more focused outcome-oriented results framework.²

17. As at December 2008, total disbursement was SDR 27.7 million, representing 52.6 percent of the total Credit proceeds of SDR 52.7 million with commitments amounting to SDR 6.9 million, leaving an uncommitted but planned balance of SDR 18 million. At the component level, disbursements were 65%, 26%, and 70% for the Capacity Building, Pilot Programmatic Scheme and Tertiary Education Innovation components, respectively.

C. Proposed Changes

18. Outline below is a summary of the changes proposed in the restructuring:

- (a) The revised **Project Development Objectives** are to (i) improve equitable access to and completion of basic education in deprived districts; and (ii) to improve quality of teaching and learning, management efficiency and relevance of post-basic education.³
- (b) The **Results Framework is revised to support and measure progress towards achieving the PDO**. The Results Framework reflects the adherence to three key principles: (1) they represent a subset of indicators

¹ The Implementation Status Report rating at mid-term and the previous reporting period was Marginally Unsatisfactory.

² Following the implementation of key changes agreed at the mid-term review, the project rating was upgraded to Marginally Satisfactory.

³ Especially tertiary education and technical and vocational education and training.

defined in the Education Strategic Plan, which are reviewed annually during the Sector Performance Review; (2) they are more consistent with the project's scope and targeting; and (3) they are harmonized with the NERP. See **Annex 1** for a complete Results Framework. The revised Results Framework will be also incorporated into the updated Project Operational Manual.

- (c) **A new Skills Development Fund (SDF) sub-component is introduced.** The Government is committed to expand technical, vocational education and skills training (TVET). This expansion also needs to make skills training more relevant and better aligned with the requirements of the job market. To achieve these goals, the Skills Development Fund, a demand-driven and performance-based funding mechanism for TVET institutions is being developed and adopted by the Government. Training providers including institutes and centers will be eligible to access the Fund according to proposals that are evaluated based on set criteria by a committee. The Fund will be a subcomponent within the Sector Capacity Building Component. The Council of Technical Vocational Education and Training (COTVET) under the Ministry of Education (MoE) will be responsible to manage the Fund. Responsibilities for financial management, including managing the flow of funds and in fiduciary oversight will be given to the Financial and Procurement Management Unit under the MoE which has been responsible for the SCB component since project effectiveness. Details about the Skills Development Fund mechanism will be presented to IDA for approval and will be integrated in an updated Project Operational Manual satisfactory to IDA, as a condition of disbursement of IDA-financed grants under the SDF.⁴
- (d) **A legal covenant on Higher Education Finance Strategy is dropped.** Paragraph 2 of Schedule 4 to the Development Credit Agreement required the Borrower to submit to the Bank by June 1, 2005, a sustainable and equitable strategy for the tertiary education sub-sector and thereafter implement such strategy. Subsequently, the Bank team agreed with the Government's request that tertiary education financing should be aligned with its tertiary education policy and with the country's general economic and social priorities with the key objectives of the NERP. The tertiary education strategy will thus be developed and monitored as an intermediary outcome of the project and the dated legal covenant containing this requirement will be dropped.
- (e) **Funds are reallocated between and the disbursement categories to support the proposed changes.** A reallocation across categories is

⁴ DANIDA is also planning the creation of a funding mechanism for skills development within its overall business development support to Ghana; the planned creation of the Fund is expected to lead to a joint DANIDA/World Bank support either through joint or parallel co-financing.

required for the new skills training activities, including developing, testing and piloting the Skills Development Fund mechanism estimated at US\$ 0.8 million, and for the reconstruction of the schools destroyed by the flood estimated at US\$7.5 million equivalent.⁵ **Annex 2** provides a summary of the original versus the proposed project costs by category and by component.

- (f) **The project closing date is extended from October 31, 2009 to October 31, 2011.** The full completion of the school rebuilding and re-equipment as well as the full completion of the skills training pilot (including assessing the early impact on the propensity of increased enrollment) require that the project implementation be extended by 24 months. A detailed implementation schedule will be developed and integrated in the updated Project Operation Manual. The extension requires a new time-based results matrix, agreed with the Government. The time-based results matrix is attached in **Annex 3**.

D. Analysis

19. The restructured project would be consistent with the strategic priorities of the current Joint Assistance Strategy, Ghana's Growth and Poverty Reduction Strategy, and the revised National Education Reform Program.

20. The environment category would remain "B". The project restructuring would not entail a change in the scope of the project in terms of its procurement categories and priorities. Rather, it would incur greater emphasis on the reconstruction of schools that were destroyed by the flood. The Ministry of Education, Youth and Sports issued a detailed Environmental and Social Management Framework (ESMF) for the EdSeP in December 2003. The ESMF analyzed the areas targeted for interventions and possible construction activities, made recommendations for project site selections, resettlement issues, sources and quality of raw materials, operations and waste management. Based on the recommendations, the MoE set standards for schools and for district education offices as well as for the Environmental Impact Assessment procedure for each sites. The recipient will review the effectiveness of the ESMF and updates and discloses as necessary.

21. The proposed changes would not have any major impacts in the original economic, financial, technical, institutional or social aspects of the project. The restructuring would not involve any exceptions to Bank policies.

⁵ The estimated allocation for the Skills Development Fund will provide funding to pilot the mechanism with a few training institutes. In the meantime, the Government is considering providing parallel financing to other institutions through the same Fund mechanism.

22. The proposed changes will improve the Project's relevance in the context of the NERP. Especially the funding mechanism for skills development will allow a potential scale-up to cover a large section of TVET programs.

23. The proposed Skills Development Fund will also allow harmonization with other donor partners, including possibly DANIDA, the African Development Bank and the Japanese International Cooperation Agency, all of whom have interest in supporting skills development.

E. Expected Outcomes

24. The purpose of revising the existing outcome indicators is to better align them with the corresponding activities and to simplify the results matrix. As a result of the simplification, some indicators have been eliminated from the results matrix. The revised indicators are sufficient in determining effectiveness and efficiency of project effort. The modifications to the key performance indicators are attached in **Annex 4** of this Project Paper.

F. Benefits and Risks

25. By focusing on 53 deprived districts, the direct benefits will go to the people living in these districts, however, since these districts are lagging behind the national average, the nation as a whole will benefit from raising the overall performance of the education sector.

26. It is expected that during the pilot phase up to 5 technical training institutes and up to 5,000 trainees will benefit from the newly established Skills Development Fund. However, the funding mechanism would facilitate the support to many more institutes and trainees as more Governmental and external funding would be channeled through the Fund and the Fund would have a significantly larger number of institutions and trainees benefitting still before EdSeP is being closed.

27. Most **risks** identified during appraisal have turned out to be less significant than anticipated. However, as in other countries, decentralization process is slower than expected and particularly information systems to provide timely information for management decisions remain slow and inadequate. There is a strong cooperation between the GoG and the Development Partners around a joint Education Sector Group which is committed to address this problem.

G. Procurement

28. The proposed changes in restructuring the project will not affect the established processes and procedures which are currently in use for implementing the main project.

The existing procurement arrangements assessed remain adequate and acceptable and will continue to be used after the restructuring.

29. The new Skills Development Fund sub-component which is being introduced aims at expanding technical, vocational education and skills training (TVET). It is a demand-driven program to be implemented by selected technical training institutions and identified private sector bodies. Procurement under this new sub-component will be managed by the GES/Financial Procurement Management Unit, the selected institutions and identified private sector institutions. Depending on agreed needs, it is expected that procurement packages under ICB and all consultancy service contracts will be managed centrally by the GES/FPMU. Other procurement will be processed by the TVET institutions. Under the provisions of the Ghana Public Procurement Act, these institutions have in place procurement units and Entity Tender Committees and will be supported by the GES/FPMU.

30. Procurement will continue to be guided by the Bank's procurement guidelines for all contracts as follows: "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004, revised October 2006; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, revised October 2006.

31. Procurement expected to be processed by private sector entities benefiting from this sub-component will be guided by Commercial Practices acceptable to the Bank.

32. In summary the assessment of the procurement management arrangements under the project concludes that there are systems in place that satisfy the Bank's minimum requirement. Overall procurement management arrangement is rated as Satisfactory.

H. Financial Management

33. The changes proposed for the restructuring will not affect the established processes and procedures which are currently in use for implementing the main project. The existing financial management systems were assessed and found to be adequate. Responsibilities for financial management, including managing the flow of funds and in fiduciary oversight will be given to the Financial and Procurement Management Unit under the MoE which has been responsible for the SCB component since project effectiveness. Details about the Skills Development Fund mechanism will be presented to IDA for approval and will be integrated in an updated Project Operational Manual satisfactory to IDA, as a condition of disbursement of IDA-financed grants under the SDF. The SDF sub-projects will be treated like any other subproject in the sense that the expenditure is not the lump sum transfer a sub-project grant but its end use for subproject activities and costs as defined in the approved subproject proposal.

34. Since the SDF is a new activity the internal control procedures are being developed and will have approved by IDA prior to disbursement and implementation.

35. Currently the FM performance has been rated marginally satisfactory based on RAPMAN-PRIMA database.

Annex 1: Revised Results Framework

Project Development Objective	Improve equitable access to and completion of basic education in deprived districts and improve quality of teaching and learning, management efficiency and relevance of post-basic education	
PDO Outcomes	Outcome Indicators	Use of Information
<p>1. Improve equitable access to, and completion of basic education in deprived districts.</p> <p>2. Improve quality of teaching and learning, management efficiency and relevance of post-basic education.⁷</p>	<p>1.1 Primary Gross Enrolment Rate in deprived districts increases</p> <p>1.2 Gender Parity Index at Primary Level in deprived districts improves.</p> <p>1.3 Primary Completion Rate in deprived districts increases</p> <p>2.1. Supported Programs under TALIF show improvements in teaching, management efficiency or learning outcomes.</p> <p>2.2. 75% of new polytechnic and post graduate programs assessed as satisfactory.</p> <p>2.3. Skills Development Fund (SDF) mechanism is functional.</p>	<p>Establish contribution of project to higher level objectives set in the Education Strategic Plan and in the National Education Reform Program.</p>
Intermediate Component Results	Results Indicators for each Component	Use of Information
<p>Sector Capacity Building</p> <p>1. In basic education, capacities of DEO offices in the 53 deprived districts increased.</p> <p>2. In post-basic education, capacities of selected Technical Training Institutes increased.</p>	<p>1.1 Implement annual programs of work (APW) in deprived districts to improve access and gender parity.</p> <p>1.2 Targeted deprived districts have improved resource management capacities.</p> <p>1.3 % of targeted districts for which the Education Management Information System is used to generate annual reports.</p> <p>2.1 Technical training institutes supported by SDF achieve 80% of the targets of their institutional development plans.</p>	<p>Strengthen accountability of education management at central and local levels.</p> <p>Provide information for systemic scale up and basis for engagement of other development partners.</p>
<p>Pilot Programmatic Scheme</p>	<p>1.1 Gross Admission Rate to Primary I in deprived districts improves</p> <p>1.2 Gross Enrollment Rate at JHS I in deprived districts increases</p> <p>1.3 Gender parity index at JHS level in deprived districts improves.</p> <p>1.4 67 schools in the Northern Region re-constructed.</p> <p>1.5 Capitation grant piloted in deprived Districts and adopted for national scale up.</p>	<p>Provide GoG with lessons on how in the context of decentralization, service delivery can be improved.</p>
<p>Teaching and Learning Innovation Fund (TALIF)</p>	<p>1.1 TALIF financing and project assessment mechanisms are functional</p> <p>1.2 % of HIV/AIDS specific measures assessed satisfactory</p> <p>1.3 Higher education policy is aligned to principles of equity, efficiency, relevance, quality and accountability.</p>	<p>Provide GoG with appropriate accountability measures for assessing for higher education performance.</p>

⁶ Unless indicated otherwise, targets in the table are set as of the Closing of the Project.

⁷ Especially in TVET and at tertiary level.

Annex 2: Status of Credit Proceeds and Proposed Reallocation In SDR

**PROPOSED RE-ALLOCATION AND DISBURSEMENT SCHEDULE
CONSOLIDATED (SPECIAL DRAWING RIGHTS - XDR)**

Cat	Description	Appraisal Allocated Amounts XDR	Proposed Re-allocated Amounts XDR	Disbursed Dec. 31, 2008 XDR	Undisbursed Dec. 31, 2008 XDR	2008		2009		2010		2011	
						2 Quarters 25% XDR	4 Quarters 40% XDR	4 Quarters 30% XDR	2 Quarters 5% XDR				
1A	GOODS - SCB	2,400,000	3,050,000	2,699,550	350,450	87,613	140,180	105,135	17,523				
1B	GOODS - PPS	350,000	1,000,000	-	1,000,000	250,000	400,000	300,000	50,000				
1C	GOODS - TALIF	350,000	275,000	192,587	82,413	20,603	32,965	24,724	4,121				
2A	CONSULTANCY - SCB	4,100,000	1,657,167	1,406,139	251,028	62,757	100,411	75,308	12,551				
2B	CONSULTANCY - PPS	350,000	2,000,000	-	2,000,000	500,000	800,000	600,000	100,000				
2C	CONSULTANCY - TALIF	350,000	365,000	253,591	111,409	27,852	44,564	33,423	5,570				
3A	ANNUAL POWs - SCB	-	2,700,000	-	2,700,000	675,000	1,080,000	810,000	135,000				
3B	ANNUAL POWs - PPS	19,300,000	18,468,000	4,870,394	13,597,606	3,399,402	5,439,042	4,079,282	679,880				
4A	SUB-PROJECTS - SCB (SKILLS DEVELOPMENT FUND)*	-	500,000	-	500,000	125,000	200,000	150,000	25,000				
4C	SUB-PROJECTS - TALIF	19,600,000	21,050,000	11,627,178	9,422,822	2,355,706	3,769,129	2,826,847	471,141				
5A	OPERATING COST - SCB	350,000	350,000	84,593	265,407	66,352	106,163	79,622	13,270				
5B	OPERATING COST - PPS	200,000	200,000	-	200,000	50,000	80,000	60,000	10,000				
5C	OPERATING COST - TALIF	200,000	850,000	364,169	485,831	121,458	194,332	145,749	24,292				
6	PPF REFINANCING	350,000	234,833	234,833	-	-	-	-	-				
7A	UNALLOCATED - SCB	792,000	-	-	-	-	-	-	-				
7B	UNALLOCATED - PPS	1,968,000	-	-	-	-	-	-	-				
7C	UNALLOCATED - TALIF	2,040,000	-	-	-	-	-	-	-				
8A	SPECIAL ACCOUNT - SCB	-	-	680,028	(680,028)	(170,007)	(272,011)	(204,008)	(34,001)				
8B	SPECIAL ACCOUNT - PPS	-	-	690,093	(690,093)	(172,523)	(276,037)	(207,028)	(34,505)				
8C	SPECIAL ACCOUNT - TALIF	-	-	1,366,794	(1,366,794)	(341,699)	(546,718)	(410,038)	(68,340)				
TOTAL		52,700,000	52,700,000	24,469,949	28,230,051	7,057,513	11,292,020	8,469,015	1,411,503				

EXCHANGE RATE AS AT 31ST MAY 2008

XDR 1.00 = \$1.628950

* Proposed new expenditure category for the newly established Skills Development Fund component.

Annex 3: Time-Based Results Matrix (as agreed with the Government)

Project Development Objective	Improve equitable access to and completion of basic education in deprived districts and improve quality of teaching and learning, management efficiency and relevance of post-basic education										
	Outcome Indicators	Baseline	Mid-term December 2006	Restructuring	Dec. 2008	June 2009	Dec 2009	June 2010	Dec 2010	June 2011	End of project
1. Improve equitable access to, and completion of basic education in deprived districts.	Primary Gross Enrolment Rate in deprived districts increases	2004/2005 76%	81.8%	93.8%	93.8%	95.7%	97.7%	99.6%	101.6%	101.6%	Establish contribution of project to higher level objectives set in the Education Strategic Plan and in the National Education Reform Program.
	Gender Parity Index at Primary Level in deprived districts improves	2005/2006 0.92	0.92	0.94	0.94	0.96	0.98	0.96	1.0	0.96	
	Primary Completion Rate in deprived districts increases	2004/2005 52.7%	75.6%	81.5%	81.5%	84.1%	86.8%	86.8%	86.8%	89.0%	
2. Improve quality of teaching and learning, management efficiency and relevance of post-basic education.	Supported Programs under TALIF show improvements in teaching, management efficiency or learning outcomes	Not applicable	141 small and 165 totaling 306 proposals approved by TALIF executive committee	152 small and 177 totaling 329 proposals approved by TALIF executive committee		M&E method is developed & agreed with Ministry	All completed programs evaluated with 60% achievement of agreed objectives	All completed programmes evaluated with 60% achievement of agreed objectives		60 percent of supported programs achieve their objectives	
	75 % of new polytechnic and post graduate programs assessed as satisfactory.			At least 25 new courses/programs introduced in participating institutions			75 % of completed new programs are found satisfactory	75 % of completed new programs are found satisfactory		75 % of completed new programs are found satisfactory	
	Skills Development Fund (SDF) mechanism is functional.			SDF mechanism developed and agreed by COIVET and MoE		SDF mechanism is tested	First evaluation completed	SDF is scaled up through GoG and DP funding			

Intermediate Component Results	Results Indicators for each Component	Baseline	December 2006	Restructuring	June 2009	Dec 2009	June 2010	Dec 2010	June 2011	End of Project	Use of Information
Sector Capacity Building In basic education, capacities of DEO offices in the 53 deprived districts increased.	Implement annual programs of work (APW) in deprived districts to improve access and gender parity					2010 APOW developed		2011 APOW developed			Strengthen accountability of education management at central and local levels.
	Targeted deprived districts have improved resource management capacities.	District assessments and improvement plans completed	Standards for District Education Offices (DEOs) and Regional Offices (REOs) developed	DEOs and REOs completed bidding documents		DEO and REO facility improvements are completed	Software improvements – i.e. human resources development?	District self-assessments is carried out	Performance of model DEOs and REOs improves in managing resources		
In post-basic education, capacities of selected Technical Training Institutes increased.	% of targeted districts for which the Education Management Information System is used to generate annual reports.	n/a					District report card system is developed		100 percent of districts report on sector performance based on report cards		Provide information for systemic scale up and basis for engagement of other development partners.
	Technical training institutes supported by SDF achieve 80% of the targets of their institutional development plans.	n/a			Selected institutions develop proposals and are awarded SDF grants		Final reports are completed		Institutions are assessed and targets are achieved.		
Pilot Programmatic Schemes in 53 deprived districts	Gross Admission Rate to Primary I in deprived districts improves	2004/2005 81.8%	2005/2006 92.3%	2007/2008 114% (74 percent net admission plus 40% over-age)	106% (80% NAR, 26% over-age)		105% 85 % plus 20% over-age		105% 90% plus 15 % over-age		Provide GoG with lessons on how in the context of decentralization, service delivery can be improved.
	Gross Enrollment Rate at JHS I in deprived districts increases	72.4%		71.0%	76.0%		81.0%		86.0%		
	Gender parity index at JHS level in deprived districts improves.	0.86	0.89	0.92	0.93		0.94		0.95	0.95	

Annex 4. Comparison between Original and Revised Objectives and Indicators of the Education Sector Project

Original Objectives PAD Project Development Objective:	Original Indicators PAD Outcome / Impact Indicators:	Changes	Rationale
(i) Promote equitable access to, and efficient delivery of, quality services in pre- tertiary education.		Improve equitable access to, and completion of basic education in deprived districts.	The PDO is more precise in terms of the focused subsectors and also in terms of the targeted improvements.
	Primary Gross Enrollment Rate nationwide increases from 80% to 98% between 2003 and 2009.	Dropped	The indicator is measured at the 53 deprived districts only.
	Primary GER for the Northern Region, the Upper East Region, and the Upper West Region to increase from 65% to 92%, from 70% to 93%, and from 63% to 92%, respectively, between 2003 and 2009.	Primary Gross Enrollment Rate in deprived districts increases	GoG proposed to modify target to match the target of project investment
	Girls Primary GER to increase from 76% to 98% between 2003 and 2009.	Gender Parity Index at Primary Level in deprived districts improves ⁸	New definition covers the same information but puts it into an equity context
	Survival Rate in Grade 6 to increase from 66% to 84% between 2003 and 2009.	Primary Completion Rate in deprived districts increases	The new indicator measures comparable information, but definition is in line with the overall Government strategy.
	Pass rate for Criterion Reference Test at mastery level (Grade 6, public schools) to increase from 9% to 36% in maths, and from 17% to 40% in English, between 2003 and 2009.	Dropped	Criterion Reference Test is no longer used in Ghana
	Pupil:Teacher Ratio in Primary Education to increase from 31.9 : 1 to 35.0 : 1 in 2009.	Dropped	The indicator did not correspond with the original PDO

⁸ The Government appears to have difficulties with appropriate population projections because of the variances in birth rates by districts and because of the internal migrations. For this reason, we will also monitor the changes in girls' enrollment to see if the GPI is consistent with gender disaggregated enrollment trends.

Original Objectives PAD	Original Indicators PAD	Changes	Rationale
(ii) Foster innovation, relevance, quality and efficiency in tertiary education.		Improve quality of teaching and learning, management efficiency and relevance of post-basic education. Dropped	Change from an intermediate level outcome to a higher outcome with more focus on impact and, better specificity.
	Increase in the % of graduates from Polytechnics and UDS gaining employment within 12 months after graduation.	Dropped	There is too large time lag between the project activities and the originally planned outcomes
	Increase in employers' satisfaction regarding graduates from Polytechnics and University for Development Studies.	Supported Programs under TALIF show improvements in teaching, management efficiency or learning outcomes	New indicator addresses time lag and questionable attribution new indicator more credible, and verification independently established.
N/A		75 % of new polytechnic and post graduate programs assessed as satisfactory.	Outcome focus for TALIF, more consistent with the project's demand driven design
		Skills Development Fund (SDF) mechanism is functional.	Measuring outcome of new activity puts strong focus on the institutional development that facilitates scale-up in follow-up phases
Output from each Component Component A - Sector Capacity Building:			
		In basic education, capacities of DEO offices in the 53 deprived districts increased.	The change was necessitated by the overall political trends of the project. Governmental decentralization has not progressed in the first three years of the project, while the education reform has started requiring new policies to be defined at sector level.
To improve the capacity of the Ministry to manage efficiently the education sector, while supporting diverse educational reforms, and the capacity of the GES to deliver efficient, equitable and quality education services and in particular:		Dropped	The outcomes of central level capacity building activities targeting various organizational changes towards decentralized service delivery are incorporated in one clearer, simpler and better measurable indicator (defined below)

Original Objectives PAD	Original Indicators PAD	Changes	Rationale
	Improved deployment and management of key resources, evidenced by a higher level of satisfaction of external and internal stakeholders with respect to services delivered.	Dropped	The outcomes of central level capacity building activities targeting various organizational changes towards decentralized service delivery are incorporated in one clearer, simpler and better measurable indicator (defined below)
(a) To improve the overall organization of the sector, as well as the internal organization of the MoE, the GES, as well as its regional and district education offices.		Dropped	The outcomes of central level capacity building activities targeting various organizational changes towards decentralized service delivery are incorporated in one clearer, simpler and better measurable indicator (defined below)
	1. A clear division of roles and responsibilities between the MoE, GES Council and GES, which is both in line with legal mandates and optimal from an operational point of view is agreed.	Implement annual programs of work (APOW) in deprived districts to improve access and gender parity	Indicators links capacity building to the PPS's and its focus on deprived districts.
	2. A clear operational definition of decentralization, specifying the respective roles and responsibilities of the national, regional and district levels of GES, including the roles of District Assemblies, is agreed.	dropped	
	3. Organization structures for MoE and GES modified, if necessary, to reflect agreed Roles and functions and enhanced efficiency.	Dropped	Indicator is dropped to allow the component to focus on the deprived districts..
(b) To improve the availability, deployment, utilization and management of key resources in the MoE and the GES, including (i) human resources, (ii) instructional resources, (iii) physical resources, (iv) financial resources and (v) information resources.		Dropped	Indicator is dropped to allow the component to focus on the deprived districts...

Original Objectives PAD	Original Indicators PAD	Changes	Rationale
	<p>1. Staffing norms introduced into MoE and GES, redundancies, where identified, reduced and imbalances addressed through redeployment.</p> <p>2. Operations manuals for the management of specific resources will be introduced and in use. Computer-based asset management systems will be operational for the following assets: school buildings and facilities, land or schools, textbooks, (in GES), vehicles and equipment in MoE and GES).</p>	Dropped	Indicator is dropped to allow the component to focus on the deprived districts.
	<p>4. Education Management Information System is kept fully up to date and is being used as is evidenced by the number of queries submitted and responded to.</p>	Dropped	Indicator is dropped to allow the component to focus on the deprived districts.
<p>(d) To enhance decentralization based on the division of labor agreed among the national, regional and district units of GES as well as the Regional Services Councils and District Assemblies by (i) assessing the capacity required at each level and (ii) designing and implementing program to strengthen this capacity.</p>		<p>% of targeted districts for which the Education Management Information System is used to generate annual reports.</p> <p>Dropped</p>	Indicator is revised, measurement will be more relevant to the targeted deprived districts.
	<p>1. A blueprint for a 'standard' District Education Office' and 'standard' Regional Education Office' developed including an outline for organization structure, staffing norms, job descriptions, and specifications for systems, equipment and furniture.</p>	Dropped	Indicator is dropped to allow the component to focus on the deprived districts.
	<p>2. A model District Education office and a model Regional Education Office are completed.</p>	<p>Targeted deprived districts have improved resource management capacities.</p> <p>Dropped</p>	Indicator was revised to become less prescriptive and more focused on the deprived districts.
		Dropped	Indicator is dropped to allow the component to focus on the deprived districts.

Original Objectives PAD	Original Indicators PAD	Changes	Rationale
	3. The number of regional and district offices reaching the standard.	Dropped	Included in the previously revised indicator.
N/A		Technical training institutes supported by SDF achieve 80% of the targets of their institutional development plans.	Reflects outcome of new activity as requested by GoG.
Component B - Pilot Programmatic Scheme			
(a) To establish the basis for effective mechanisms to channel external funding to priority areas.		Dropped	This was an activity rather than an objective; achievement of new objective will provide the basis for external funding.
	Successful implementation of the Program of Work.	Dropped	Incorporated in revised indicator.
(b) To support priority interventions in pre-tertiary education, as defined in Annual Programs of Work.		Dropped	Incorporated in revised indicator.
	Indicators of the 5-year program of Work.	Dropped	Incorporated in revised indicator.
		Gross Admission Rate to Primary I in deprived districts improves	Gross Admission Rate was introduced to better forecast future achievement of Millennium Development Goals.
		Gross Enrollment Rate at JHS I in deprived districts increases	brought forward from interim indicator, in line with new strategic priorities set in Government program.
		Gender parity index at JHS level in deprived districts improves.	New indicator measures gender equity at junior secondary school level.
		67 schools in the Northern Region re-constructed.	New Activity, as a result of emergency response.
		Capitation grant piloted in deprived Districts and adopted for national scale up.	Indicator reflects more concrete intervention towards the component objective Activity completed, was not included in original RF, but a planned activity.
Component C - Tertiary Education Innovation			

Original Objectives PAD	Original Indicators PAD	Changes	Rationale
(a) To encourage relevance, quality, and innovation.		Dropped	Innovation is an activity or at best lower level indicator, intention of this is captured in the revised results.
	Strategically selected post-graduate programs updated and strengthened. Polytechnic curricula reformed to support national economic development goals.	Dropped	Included in revised objective.
(b) To promote access and equity in education.		Dropped	Incorporated in higher level indicators.
	Initial capacities to deliver tertiary distance education programs created.	Dropped	Input orientation, Incorporated in revised objective.
	Enrollment at the University of Development Studies increase from about 600 to about 1,200.	Dropped	Doubtful attribution to project activities.
(c) To restore the conditions or financial sustainability.			
	Sustainable student loan program in place.	Dropped	Not related to project activities.
	Income generation and student cost-sharing contribute at least 20% of recurrent budget.	Dropped	Not related to project activities.
All higher education institutions plan and implement programs to improve quality of teaching and learning and efficiency of management.			Complete reformulation in favor of a stronger outcome focus.
		TALIF financing and project assessment mechanisms are functional	Stronger focus on financial sustainability and monitoring processes not included in earlier indicators.
		A Higher Education Policy adopted with targets on equity, efficiency, quality, relevance, and Higher education policy is aligned to principles of equity, efficiency, relevance, quality and accountability.	New Activity, to reflect GoG interest in long term adaptation of higher education to the county's needs.

Original Objectives PAD	Original Indicators PAD	Changes	Rationale
d) To energize defense against HIV/AIDS threats		% of HIV/AIDS specific measures assessed satisfactory	More focus on monitoring the results of TALIF activities.
	All tertiary institutions have completed institutional policy statements on HIV/AIDS	Dropped	Lower, level indicator, input orientation.
	At least on HIV/AIDS prevention project is underway at each tertiary institution by the end of the project	Dropped	Lower, level indicator, input orientation.

Annex 5: Skills Development Fund

Skills Development Fund

1. The establishment of a Skills Development Fund (SDF) is the Government's request to set up a demand-driven funding mechanism as a sustainable source of financing technical and vocational education and training (TVET). Such a mechanism is strongly owned by the Government as it appeared first in the 2002 Education Reform Report,⁹ and later in the 2004 TVET policy framework document,¹⁰ The intention with the SDF is to unify and supplement public financing for TVET as well as make it easier for funds to be allocated in line with both general national socio-economic priorities but also sector priorities. A SDF mechanism would draw on a variety of income sources, including training levies, government budgetary allocation, development partner funding and income generated by the fund itself. It is expected that the Government would provide funding from 2010 and there is also interest by other donors, including DANIDA.

2. The EdSeP sub-component will focus on establishing a solid fund mechanism with transparent processes. It will involve various government agencies, training providers and employers in the process. The intended beneficiaries of the SDF also include TVET providers, trainees and employers. The objectives of the SDF include the improvement of productivity and the increased employment of skilled labor in selected sectors.

3. The Council for Technical Vocational Education and Training (COTVET) (which includes key GoG and non-governmental stakeholders, including industry) will have a key role in defining (and redefining) priority areas for the SDF. The COTVET will set up a SDF Secretariat which will administer the SDF as part of the Sector Capacity Building Component. Thus, the MoE and the Financial Procurement and Management Unit will exercise fiduciary oversight for the SDF.

4. The pilot would run for approximately 12 months, after which it is expected that COTVET would scale up and manage the Fund, possibly with WB as well as DANIDA short-term support. During the period up to December 2009 it is envisaged that the GoG (and COTVET) would play a key role in getting an industry training levy established which would provide sustainable financing to the SDF. Eventually, the SDF would become a key funding instrument to sustainably support skills development in Ghana.

5. The membership to the Board of the SDF would be broad based to avoid conflict of interest and there would be very strong employer involvement in managing the fund; COTVET would have a key role to play on the SDF Board. The pilot SDF would be sector neutral: public and private sector TVET institutions would be eligible, as would micro, small, medium and large enterprises.

⁹ GoG (2002) *Meeting the Challenges of Education in the Twenty First Century*. Report of the President's committee on the Review of Education Reforms in Ghana (October, 2002): Accra.

¹⁰ GoG (2004) *Draft TVET Policy Framework for Ghana* (August 2004), MoEYS: Accra.

6. The operation of the SDF would be clearly defined and agreement would be reached at the highest level (e.g., COTVET Board, Ministers and Chief Directors of MoE, MoESW, MoTI, MoF, GEA, AGI etc). The specific activities for which financial allocations could be made would be clearly defined (e.g. financing the needs of TVET institutions for equipment, raw materials, teaching materials and wages of trainers; developing training and retraining programs for public and private companies; scholarships based on the financial needs of eligible students; vocational awareness campaigns in the media; and training needs surveys). Furthermore the SDF would be specific about who could benefit from the fund. The DANIDA consultants proposed that the SDF should consist of two funding windows:

- Support to training providers (government and non-government institutions) for the development of new (short) courses including support for upgrading and training of teaching staff at the training institutions.
- Training incentives to enterprises (in the medium and small scale sector) including tailor-made training with focus on product development, productivity, maintenance, and quality assurance on the basis of an overall business development plan (for enterprises or sector organizations). Support can include identification of training needs on the basis of HRD plans and training needs assessments at enterprise or sector level.

7. During the pilot of the SDF, according to the request by the Government, WB support would be focused on support to government training providers under MoE (as the EdSEP – which is being restructured to accommodate a SDF pilot - is currently under MoE). The Fund would initially support a small number of training providers who will develop proposals for developing linkages with industries, expand admissions and graduations, improve skill levels of graduates. The objective of the pilot is to assess the effectiveness of this type of funding as opposed to traditional input-driven public support to TVET providers and to refine the SDF mechanism according to the lessons learned during the pilot phase.

8. The allocation mechanism of the SDF would help develop a demand-driven approach and not perpetuate a supply-driven one. The decision of SDF allocations would focus on the planned results and outcomes that the applicants aim to achieve. The design of the SDF should be such that it would boost not only supply of skills training but also demand for it. It would be a dynamic funding system in which the providers of the endowment will be able to define and redefine priority areas.

9. Eligible beneficiaries would define their plans, submit proposals and independent expert committee would decide about the relevance, quality, and eligibility of the applicants/applications. In the medium-long term, training institutions could have their financial allocations from the SDF linked to their performance (including the performance of their graduates), for which benchmarks and indicators would have to be

developed and monitored. The pilot SDF would also help to develop various monitoring approaches and indicators.

10. Initially, the SDF would have an upper ceiling of about US\$150,000 per proposal. IDA would finance up to five proposals in the first year. In addition to IDA, it is envisioned that the Government would also use the SDF mechanism to extend the number of pilots.

11. Procurement under this new component will be managed by the GES/FPMU, the selected institutions and identified private sector institutions. Depending on agreed needs, it is expected that procurement packages under ICB and all consultancy service contracts will be managed centrally by the GES/FPMU. Other procurement will be processed by the TVET institutions. Under the provisions of the PPA, these institutions have in place procurement units and Entity Tender Committees (ETC) and will be supported by the GES/FPMU.

12. Regarding Financial Management, SDF funds are part of the Sector Capacity Building Component. The details of the transfer i.e., lump sum, tranches etc will be addressed in the approved SDF Operations Manual. The internal controls specifically for the use of the SDF to beneficiary agencies or training institutions is now being finalized in the SDF Operations Manual and this is a condition for disbursement. Disbursements for SDF will be conditioned upon the Bank approval of the SDF Operations Manual.

13. As a next step, the SDF mechanisms as well as the monitoring and evaluation system need to be urgently set up with latest international best practices. This mechanism would be defined in a SDF manual, in a ToR for the implementing agency in the setup of a decision making committee (SDF Committee) and in the M&E manual. This documentation needs to be agreed upon in a workshop that would include key decision makers from the GoG and from the industries.