RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF THE

EDUCATION REHABILITATION PROJECT

MDTF-SS TF056452

BOARD APPROVAL DATE MARCH 30, 2006

TO THE

GOVERNMENT OF SOUTHERN SUDAN

December 11, 2012
ABBREVIATIONS AND ACRONYMS

AES    Alternative Education System
ERP    Education Rehabilitation Project
IFR    Interim Financial Report
SOUTH SUDAN
MULTIDONOR REHABILITATION EDUCATION PROJECT

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A. SUMMARY
1. The percentage of expenditure to be financed from MDTF SS-Grant No TF056452 for the South Sudan-Education Rehabilitation Project (ERP), Project ID P097962 will be amended to 100% from November 30, 2012 up to the Project closing date of December 31, 2012.

B. PROJECT STATUS
2. The development objective of ERP is to improve access to enhanced quality of education, alternate learning opportunities, development of life skills and basic occupational skill training to primary school students, IDPs, demobilized soldiers, and other non-traditional learners. Currently, implementation of project activities is on track with almost all the main project activities have either been completed or nearing completion. The current overall implementation progress is rated as satisfactory and the project’s development objectives continue to be largely achievable. A total of 3179 teachers were trained (1228 through fast-track program, 951 through pre-service and 1000 through in-service training). The project built 52 Primary schools and 14 County Education Centres, with final inspection and payment pending for four schools and three CECs. Two contracts are also underway, to furnish the 52 schools but with major delay in the execution one of these two contracts. Under the Alternative Education System (AES) component, the project provided an intensive English training course for 2417 teachers and staff with Arabic Education background. AES also supported the training of 6146 pastoralists, accelerated learning program and procurement of Alternative Education System (AES) centres’ educational supplies. Survey of AES was also completed. Under the capacity building program, 367 education managers were trained, five staff residences were rehabilitated and contract is underway to procure a printing press for the Examination Centre.

C. PROPOSED CHANGES
3. The total Grant allocation of US$25.5 million and the full Government contribution of US$20.4 million have been transferred to the Project account and fully committed. However, as of November 31, 2012, there are unexpended balances of US$1,499,197.38 from the Grant and US$1,175,587.00 from the Government. While the percentage of expenditure to be financed by MDTF has been increased for all MDTF supported projects to an average of 75%, the only exception was ERP, which has been financed by only 56% (See the attached Table). This percentage will be further reduced, as it is unlikely for the full amount of the outstanding unspent balance from MDTF to be used by December 31, 2012. This is mainly due to the delay in the execution of one of the two contracts for the delivery of furniture to 27 of the 52 schools built under the Project. Deliveries to all of these schools might not be
completed within the closing date due to capacity of the supplier and the logistical challenges caused by the poor road network. Payments may subsequently not be made from the grant funds.

4. The proposed amendment is therefore necessary to increase the percentage of expenditure to be financed out of grant funds from the current 56% to 100% for the period November 30 to December 31, 2012 to allow for full disbursement of the grant funds and to allow for the Government contribution to be used for the payment of the remaining deliveries beyond December 31, 2012, and thus providing more time for delivery. Recipient's request fulfills the general requirements for the extension of the closing date as indicated in OP 13.30.