I. Project Context

Country Context

Ethiopia is a large and diverse country. It is located in the Horn of Africa and is a land-locked country with an area of 1.1 million km2—about the size of Bolivia. Its bio-physical environment includes a variety of contrasting ecosystems, with significant differences in climate, soil properties, vegetation types, agricultural potential, biodiversity and water resources. Ethiopia is a country of many nations, nationalities and peoples, with a total population of 91.7 million (2012). Only 17 percent of the population lives in urban centers, the great majority of them in Addis Ababa. At a current annual growth rate of 2.6 percent, Ethiopia's population is estimated to reach 130 million by 2025, and is projected by the UN to be among the world's top ten, by 2050. Ethiopia is vulnerable to terms of trade shocks from international food and fuel prices, and to large domestic weather-related shocks as the 2011/12 East Africa drought demonstrated.

Ethiopia has a federal, democratic government system, established in the early 1990s, with nine
autonomous states (‘regions’) and two chartered cities. The federal Government of Ethiopia (GoE) has been dominated by the Ethiopian Peoples Revolutionary Democratic Front (EPRDF) since it came to power in 1991. EPRDF comprises four regionally-based parties from the four major regions (Amhara, Oromia, Southern Nations, Nationalities and Peoples (SNNPR), and Tigray). The long-serving Prime Minister, Meles Zenawi, (from Tigray) died in August 2012, and was succeeded by Hailemariam Desalegn (from SNNPR) who has pursued largely the same policies. The next national elections are scheduled for 2015. Decentralization to the regional and district (woreda) levels of government has been actively pursued, particularly since 2003. The major factor in Ethiopia's external political environment is recurrent instability in the Horn of Africa: tensions with Eritrea and insecurity in neighboring South Sudan and Somalia continue. Relations with Egypt are dominated by disagreements over the use of the river Nile.

Ethiopia has experienced strong economic growth over the past decade. Economic growth averaged 10.7 percent per year in 2003/04 to 2011/12 compared to the regional average of 5.4 percent. Growth reflected a mix of factors, including agricultural modernization, the development of new export sectors, strong global commodity demand, and government-led development investments. Private consumption and public investment have driven demand side growth, with the latter assuming an increasingly important role in recent years. On the supply side, growth was driven by an expansion of the services and agricultural sectors, while the role of the industrial sector was relatively modest. More recently annual growth rates have declined slightly, but still remain at high single-digit levels. Growth in the export of goods has also moderated in recent years and a decline was observed in 2012/13 for the first time since 2008/09. There have been bouts of high inflation in recent years and, while inflation is currently much lower, keeping it down remains a major objective for monetary policy.

Ethiopia is one of the world's poorest countries, but has made substantial progress on social and human development over the past decade. The country's per capita income of US$370 per is substantially lower than the regional average of US$1,257 and among the ten lowest worldwide. Ethiopia is ranked 173 out of 187 countries in the Human Development Index (HDI) of the United Nations Development Program (UNDP). However, high economic growth has helped reduce poverty, in both urban and rural areas. Since 2005, 2.5 million people have been lifted out of poverty, and the share of the population below the poverty line has fallen from 38.7 percent in 2004/05 to 29.6 percent in 2010/11 (using a poverty line of US$0.6/day). However, because of high population growth the absolute number of poor (about 25 million) has remained unchanged over the past fifteen years. Ethiopia is among the countries that have made the fastest progress on the Millennium Development Goals (MDGs) and HDI ranking over the past decade. It is on track to achieve the MDGs related to gender parity in education, child mortality, HIV/AIDS, and malaria. Good progress has been achieved in universal primary education, although the MDG target may not be met. The reduction of maternal mortality remains a key challenge.

GoE is currently implementing its ambitious Growth and Transformation Plan (GTP; 2010/11-2014/15), which sets a long-term goal of becoming a middle-income country by 2023, with growth rates of at least 11.2 percent per annum during the plan period. To achieve the GTP goals and objectives, GoE has followed a “developmental state” model with a strong role for the government in many aspects of the economy. It has prioritized key sectors such as industry and agriculture, as drivers of sustained economic growth and job creation. The GTP also reaffirms GoE’s commitment to human development. Development partners have programs that are broadly aligned with GTP priorities.
The World Bank Group's Country Partnership Strategy (CPS, FY13-16) builds on the progress achieved by Ethiopia in recent years and aims to help GoE address structural transformation and assist in the implementation of the GTP. The CPS framework includes two pillars. Pillar One, "Fostering competitiveness and employment", aims to support Ethiopia in achieving: (i) a stable macroeconomic environment; (ii) increased competitiveness and productivity; (iii) increased and improved delivery of infrastructure; and (iv) enhanced regional integration. Pillar Two, "Enhancing resilience and reducing vulnerabilities", aims to support Ethiopia in improving the delivery of social services and developing a comprehensive approach to social protection and risk management. Good governance and state building form the foundation of the CPS. In line with the GTP, gender and climate change have been included as cross-cutting issues to strengthen their mainstreaming across the portfolio. The programs of IFC and MIGA are well aligned with the CPS framework, contributing mainly to the strategic objectives under Pillar One.

**Sectoral and institutional Context**

Ethiopia’s Education Sector: In Ethiopia, primary education lasts 8 years, split into grades 1-4 (primary first cycle) and grades 5-8 (primary second cycle). Secondary education lasts 4 years and is also split into two cycles, grades 9-10 (secondary first cycle) and grades 11-12 (secondary second cycle). Government schools account for about 96% of school enrollment and non-government schools for the rest. Where schools do not exist, the first cycle of primary education is delivered through Alternative Basic Education Centers, which follows a curriculum different from that of primary schools. The provision of education is the concurrent responsibility of federal, regional, and local governments (woredas). The main functions of the federal government are policy formulation, monitoring and evaluation, development of secondary curriculum, and secondary teacher preparation. The mandate for general education lies mainly with regional governments. Woredas are responsible for management and supervision of primary schools, whereas the management and supervision of secondary education is shared between woredas and regions.

Enrollment Rates: Net Enrollment Ratio (NER) for primary education (grades 1-8) expanded rapidly from 24.9 percent in 1996/97 to 83.4 percent in 2007/08 (ESAA). However, since then progress towards Universal Primary Education has faltered with NER only growing at 0.8 percent per annum, a level well below the population growth of 2.6 percent. Furthermore, the relatively high NER for the full primary cycle masks the low participation rate in the second cycle of primary education, with a low NER of 47.3 percent in 2010/11 (ESAA). The GTP has set ambitious targets for the Ethiopian education sector. It aims to increase primary NER from 87.9% in 2009/10 to 100% in 2014/15, and gross enrollment ratio (GER) of general secondary education (grades 9-10) from 39.7% to 62.0%.

Equity issues: The overall expansion in access to both primary and secondary education in Ethiopia masks large regional variations. As in previous years, the ‘Emerging Regions’ Afar and Somali, which contain sizeable pastoralist communities, have much lower enrolment rates than other regions, but in both cases the rate has nearly doubled between 2006/07 and 2011/12. Another aspect of geographic location is the urban/rural divide. Analysis of 2011/12 data shows that while 81 percent of primary enrolment was accounted for by rural areas, the reverse is true for lower secondary where only 14.5 percent of enrolment is in rural areas. This suggests that children living in rural areas either have to travel to a secondary school in the nearest urban area, or drop out altogether. A number of obstacles can discourage students from attending school and hinder their
learning when in school.

Gender is also a major determinant of access to schooling. Although the gender gap is not large at primary level, with girls outnumbering boys in upper primary, the gender gap in favor of boys is large in lower secondary and larger still in upper secondary. There are several reasons why girls’ access to education is constrained, including early marriage, personal safety (especially when traveling long distances to school), demand for girls’ labor at home and other issues related to Gender Based Violence at school and in the community such as verbal abuse by teachers and other members of the community, corporal punishment and bullying. There is a very large gender disparity in the teaching force, and this may also be a factor contributing to girls leaving school prematurely.

Learning Assessments: Ethiopia is one of the few countries in Africa that has institutionalized learning assessments through its National Learning Assessment (NLA), a test administered nationally at different levels at four-year intervals. The first NLA was administered to grades 4 and 8 in 1999/2000. The NLA was subsequently expanded to grades 10 and 12 in 2008/09. In addition, the first Early Grade Reading Assessment (EGRA) for mother tongue took place in 2009/10, and the first Early Grade Mathematics Assessment is planned for 2012/13. In 2012, these assessments were institutionalized through the creation of the autonomous National Educational Assessment and Examination Agency (NEAEA).

Learning Achievements are a Challenge: The NLA has shown that improving learning achievements in Ethiopia remains challenging. Grade 4 students were tested in Reading in Mother Tongue, English, Mathematics, and Environmental Science, and grade 8 students were tested in Biology, Chemistry, English, Mathematics, and Physics. Composite scores for each grade seem to indicate that national learning results have actually reduced slightly over time. Equally problematic are the percentages of students attaining various competency levels in Grades 10 and 12. Almost 55 percent of grade 12 students, who represent the top tier of secondary school education, did not even obtain basic competency. Boys consistently outperform girls on tests of achievement.

Key challenges: Shortfall in financing, short supply of textbooks, inadequate qualification and motivation of teachers, inadequate non-salary recurrent expenditures, and weak leadership and management capacity of the education bureaucracy are among the key challenges facing the education system. For example, in 2007/08 per pupil recurrent expenditure in primary education was barely US$22. And the share of non-salary recurrent expenditures in the total recurrent expenditures was only 5%. In 2011/12, the textbook-pupil ratio for general education was 0.51:1 - short of the target of 1:1. The percentage of qualified primary teachers is only 55%.

Strategies to address sectoral issues: The government’s Education Sector Development Program IV (2011 – 2015) sets out the main strategies to address these challenges. To address the short fall in financing, the government has been increasing public expenditures on education, and Ethiopia’s public spending on education is one of the highest among developing countries. In 2010/11, Ethiopia spent 4.6% of GDP on education and in 2011/12 the allocation for education was 5.2% of GDP. GOE has set a goal of providing one textbook for each subject free of cost to every student. The GOE is implementing a large-scale program for upgrading qualifications of existing teachers as well as preparing new teachers. In addition, it is introducing licensing and relicensing of teachers linked to promotion in order to enhance motivation of teachers. To address the inadequacy in non-salary recurrent costs at decentralized levels the GOE introduced school grants in 2009. The school grants are in addition to allocations to schools through the block grant and community
contributions. The weak management and leadership capacity is being addressed by launching a comprehensive leadership and management training program for school supervisors and principals, and for the education bureaucracy at woreda, regional and federal levels.

Implementation of strategies: The General Education Quality Improvement Program, Phase I, (GEQIP I), an Adaptable Program Loan (APL), launched in 2009, has been the main development partner vehicle for supporting GOE to improve the quality of general education. It is a federal program implemented through a decentralized modality, involving 11 regions, over 900 woredas, 22 universities, 35 colleges of teacher education (CTEs), and over 40,000 schools and alternative basic education centers (ABEs). It is being financed by IDA (US$50 million), MDTF (US$220 million, DFID, Finland, Italy and the Netherlands), Global Partnership for Education (US$168 million) and Government of Ethiopia (US$13 million) under a pooled funding arrangement.

GEQIP I supports: (i) implementation of revised curriculum, procurement of learning materials, and strengthening of assessments; (ii) in-service and pre-service training of teachers; (iii) school improvement planning and school grants; and (iv) capacity building for planning and management, and strengthening EMIS. GEQIP I has shown good progress on most of the PDO level indicators. For instance, though the composite score for all students has reduced slightly from 2006 to 2011, the percentage of students attaining basic competency or better in the NLA has increased over the last 4 years for grade 8. Additionally, there have been improvements in the proportion of qualified teachers. For example, the percentage of qualified first cycle primary teachers has reached 20% in 2010/11 compared to the target of 15.7% for 2012/13.

The share of education expenditure in the national budget is 22.6% in 2011/12 which is much higher than the target of 14.5% for GEQIP I. In addition, the target of maintaining non-salary recurrent budget at the level of 5% of recurrent costs has been surpassed owing to the significant scaling up of school grants. A robust mechanism for administration of school improvement planning and school grants has been put in place as well. School grants have nurtured community/school initiatives in quality improvement. Another significant achievement is the much improved quality and timeliness of publication of the Education Statistics Annual Abstract.

GEQIP I was planned as a two-phase APL which was a form of investment lending (IL) provided by the Bank. On April 8, 2013 the Bank rolled out an overhaul of its investment lending instrument which is now called Investment Project Financing (IPF) which is detailed in OP/BP 10.00. The modality for phased projects, such as under an APL is provided for under the IPF through a ‘Series of Projects’. However under the IPF, triggers are no longer mandatory to move from one phase to another. Rather, the team assesses if the rationale of the program remains intact and assess the performance of the previous project(s) in the series. For GEQIP II, the objectives of the program remain valid and critical as ever to the client. Also, while triggers are no longer required they do provide useful insight into the performance of the current ongoing GEQIP phase I. Previously agreed triggers to move from phase I to phase II have been substantially met.

Whereas GEQIP focuses on quality of education, the donor financed Promotion of Basic Services is the main program for achieving universal primary education. It has set the target of increasing primary NER from 85.3 percent to 100 percent by 2016/17, the final year of GEQIP II. In addition, GOE financed MDG Fund is also supporting capital costs related to the achievement of universal primary education.
Rationale for development partner support: Improving quality of general education is the major goal of GTP. When GEQIP I was launched, support for quality through the second phase of GEQIP was foreseen, as four years – the duration of GEQIP I – would not be enough time for yielding quality improvement. The outcomes of GEQIP I show that progress is being made towards improvement of quality education through enhancement of learning conditions. Consequently, partner support for GEQIP II, which essentially builds on the strategies of GEQIP I, is justified.

II. Proposed Development Objectives
The higher order objective for the eight years, two phase of the APL is ‘Improving the quality of General Education (Grades 1-12) throughout the country’.

The specific PDO for GEQIP II is ‘Improving learning conditions in primary and secondary schools and strengthening of institutions at different levels of educational administration’.

III. Project Description
Component Name
Curriculum, Textbooks and Assessment
Comments (optional)

Component Name
Teacher Development Program (TDP)
Comments (optional)

Component Name
School Improvement Plan
Comments (optional)

Component Name
Management and Capacity Building, including EMIS
Comments (optional)

Component Name
Improving the Quality of Learning and Teaching through the use of Information and Communication Technology (ICT)
Comments (optional)

Component Name
Program Coordination, Monitoring and Evaluation, and Communication
Comments (optional)

IV. Financing (in USD Million)
### V. Implementation

The proposed project consists of the following components: (i) Curriculum, Textbooks and Assessment; (ii) Teacher Development Program (TDP); (iii) School Improvement Program (SIP), including school grants; (iv) Management and Capacity Building, including EMIS; (v) Improving the Quality of Learning and Teaching through the use of Information and Communications Technology (ICT); and (vi) Program Coordination, Monitoring and Evaluation, and Communication. Equity is addressed through mainstreaming of a number of cross cutting issues, including: gender, special education needs, and school health and nutrition. Attention has also been paid to focusing more support on the four most under-served regions.

Component 1 - Component 1 will support the enhancement of learning conditions in grades 1-12 through curriculum improvement and provision of supportive instructional materials. Institutional development will be achieved through support to improved student assessments and a strengthened schools inspectorate. The component will continue the quality interventions of GEQIP I: (i) improvement in the quality and relevance of the general education curriculum; (ii) increase in the supply of textbooks and other teaching and materials; (iii) strengthened national assessment and examinations system, aligned with the national curriculum; and (iv) support for the newly developed schools inspectorate.

Component 2 - The Teacher Development Program (TDP) Component will support improvements in learning conditions in both primary and secondary schools by advancing the quality of teaching in general education through initial (or pre-service) teacher education, in-service teacher training, Continuous Professional Development (CPD), and professional licensing and re-licensing.

Component 3 - The School Improvement Program will support the strengthening of school planning in order to improve learning outcomes, and to partly fund the school improvement plans through school grants. To achieve its aims, the component will be a combination of activities started and successfully implemented under GEQIP I and new activities under Phase II.

Component 4 - This component will support management and capacity building aspect of GEQIP II by: (i) improving the effectiveness and efficiency of education planning, policy-making, management, evaluation and resource allocation and utilization through human capacity development and by strengthening the linkages at federal, regional and woreda levels; (ii)
strengthening participatory and evidence-based school planning, management and monitoring in order to make schools more effective, efficient and accountable, and to improve teaching and learning; and (iii) strengthening the EMIS by improving collection, accuracy of input data and use of system data for evidence-based planning, policy making, management, and evaluation. Under GEQIP II, special attention will be paid to the four emerging (disadvantaged) regions.

Component 5 - This component aims to enhance the quality of learning and teaching in secondary schools and universities through the use of Information and Communications Technology (ICT). The project will support education cloud infrastructure that will be tested in selected number of secondary schools and universities where specific hardware will be provided. It will also support institutional strengthening of Center for Educational ICT, regulatory environment, development and adaptation of digital content as well as teacher professional development in the use of ICT.

Component 6 - will support improvements in learning outcomes by developing capacities in all aspects of program coordination, monitoring and evaluation; a new sub-component on communications will support information sharing for better management and accountability. The program will support: (i) strengthening of the institutional capacity of education institutions at the federal level and between federal, regional and woreda levels to improve coordination, through the provision of technical advisory support; and (ii) monitoring of project progress and results to generate evidence of GEQIP results and impacts towards institutional strengthening and improving learning conditions; and (iii) Communication to increase awareness and ownership of GEQIP’s components and ensure effective participation of all stakeholders. A high level of program coordination is required because several implementing agencies are involved at the federal, regional, zonal, and woreda levels.

VI. Safeguard Policies (including public consultation)

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Comments (optional)

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