I. Project Context

Country Context

1. Ghana, located on the western coast of Africa has an estimated population of 25 million (2010 Census). Ghana experienced rapid economic growth over the past several years resulting in substantial progress in reducing income poverty. GDP growth rose from 8 percent in 2010 to close to 14.5 percent in 2011, making Ghana’s economy one of the fastest growing on the continent. By 2012, Gross National Income per capita reached US$1940, reflecting Ghana’s middle-income status. Poverty has been declining steadily, as reflected in the number of people classified as poor, which dropped from about 8.0 million (i.e. slightly over 50 percent of the population) in 1992 to 6.3 million in 2006 (less than 30 percent of the population). In spite of these improvements, inequalities remain widespread in Ghana, and are reflected in significant disparities in access to economic, social and political opportunities, mainly between the poorer northern Savanna regions and the rest of the country.

2. Recent macroeconomic instability is putting at risk the gains in poverty reduction achieved. The fiscal deficit reached 12% of GDP in 2012 and 10.9% in 2013, and the current account deficit reached 13% of GDP in both years. The government tackled the fiscal imbalances by raising fuel prices as well as electricity and water tariffs, by around 60% in late 2013. The inflationary impact
of the adjustment was reinforced by the Cedi deprecation. Hence the higher prices imply a lower income in real terms, which has the risk of pushing many of the near-poor families into poverty. The pressure on household budgets and the impact on poor households have been exacerbated by the lack of liquidity of the government which has paid the LEAP cash transfers with significant delays as well as the District Common Assemblies Common Fund (DACF) which is a mechanism for redistribution of resources at the regional level. Macroeconomic crises affect disproportionately the poorer members of society.

3. Ghana expects to meet the Millennium Development Goal (MDG) targets for income poverty reduction, ending hunger, primary education completion, and gender equality. The primary completion rate is 112% (as a percentage of relevant age group in 2012/13). To accelerate progress towards achieving MDGs, the Government through the Ministry of Education (MOE) and Ghana Education Service (GES) has advanced education reform under the Education Strategic Plan (ESP 2010-2020). Development partners are committed to directing their assistance into the common reform framework represented by the ESP, especially for basic education.

**Sectoral and institutional Context**

4. During the last decade, upper secondary education has been going through significant changes driven by increasing demand, diversifying supply (including increasing presence of the private sector), changing structure (from 4-year to 3-year programs) and fast changing financial/budgeting conditions. Upper secondary education in Ghana is provided mostly through three years of education providing general arts and science as well as technical, vocational and business education in Senior High Schools (SHS-s). The enrollment figures projected under the Education Strategic Plan (2010-2020) for 2020 (over 700,000 students) have already been surpassed by 20 percent reaching over 850,000 in 2012-2013 whereas the budget projected by the ESP for 2020 at GhC 286 million (US$220 in 2009 rate) reached over GhC 1 billion in 2013 or in current US$ terms more than double the amount projected for 2020. The expansion of SHS sector as charted in the graph above, shows increasing demand (JHS enrollment increase), increasing SHS enrollment and budget in the last 10 years.

5. Demand for SHS education has increased fueled by increasing population coming out of poverty, completing universal basic education and moving to urban areas and away from agriculture in search of wage employment. However, there are persistent inequities in this demand as 3/4th of the youth typically either does not have adequate qualification to enter SHS or cannot afford to either move or commute to the schools where they are placed by the Computerized School Selection and Placement System (CSSPS). Either they drop out before reaching the basic education completion exam (BECE) or about half of those taking BECE do not successfully pass the examination (to qualify them to enter upper secondary education). Those coming from the poorest 20% of the households, the most deprived districts and/or from rural areas are about 5 to 6 times less likely to access SHS programs. The ESP (2010-2020) recognized these constraints and planned measures to improve BECE completion in deprived districts, subsidize needy students, especially those from northern and other hard-to-reach areas through means tested support to boarding students and subsidized transport for day-students living within 20 km of schools. Despite stable economic growth of the last decade and the declining poverty rate, the job market has not improved at a corresponding rate. Employment in the formal private sector has declined and is mostly available for those finishing tertiary education. Income does increase significantly for those who finish tertiary education and manage to find mostly public sector jobs. For those, who qualify to and
graduate at tertiary level, the successful completion at upper SHS level is a requisite. The majority of SH graduates are unable to immediately continue at tertiary level. These students need skills that help them improve their position on the job market. According to GLSS 5, upper secondary education helps to move into wage employment. The majority of youth without tertiary education are likely to join the informal economy; most will be self-employed starting their own businesses. They will require specific skills that help improve their earnings, including communication, ICT, language, mathematics, integrated and applied science and business skills.

6. The Government strategy aims to rapidly expand access and quality making it gradually universal and also progressively free. Among other plans, the Government intends to build about 200 SHS facilities above and beyond recent investments into the SHS infrastructure. The gross enrollment rate to SHS has been around 36%. Improving access by about 70,000 students (for instance through an addition of 50 new schools) would bring the enrollment rate to the present level and 200 schools would expand the system by 40 percent to about 50% GER. An expansion of the SHS system was planned by the ESP (2010-2020) with strategies such as new school construction and efficiency savings through rationalization of boarding, teacher deployment and measures to share costs and engage the private sector.

7. There is significant social and geographical inequity in terms of successful completion of basic education and entry to SHS. About three quarter million students are enrolled, which represents one third of the relevant age population (35% GER), although less than 25% of the 15-18 year olds are in SHS (NER). About 75% of the youth typically either do not have physical access to SH schools or do not have adequate qualification to enter SHS. In Upper East, Northern and Upper East regions, the BECE pass rate is 11%, 22% and 11% respectively.

8. Supply of SHS education has also increased through new public schools, growth of private education and increasing enrollments to schools. The number of SHSs rose by 69% from 2005 to 828 schools, out of which 535 are public. 62.8% of the private senior high schools are located in rural areas. The average size of secondary schools has risen from 683 students per school to 1,018 students per school in 2013. There is a significant disparity between the average size of public and private secondary schools with public schools catering to 1,441 students per school and private schools catering to only 245 students per school. Importantly, among the public schools there is a significant disparity between: (i) schools that are selective, preferred by the majority of students, and oversubscribed; and (ii) community day schools that remain undersubscribed either because they have less quality inputs, services and outcomes, or because families may not be able to afford privately provided hostel facilities or transportation to these schools. In the latter scenarios, they have extra space for additional admission leading to persistent inefficiency. Additional facilities at existing community day schools and also private schools could expand enrolment by 40 percent.

9. Quality of SHS programs shows large disparities between the best 100 schools and the rest of the sector. The top schools produce the bulk of those entering tertiary education whereas for those enrolled in the majority of the schools, SHS represents the terminal form of education. 46% of the students who qualify for tertiary education by successfully sitting for the WASSCE are from the top twenty percent of Senior High Schools in the country while 8 percent of students from the bottom 20% of the schools (106 schools) qualify for tertiary education.

10. Public SH schools have about 37,300 teachers of whom 6,000 are untrained, leading to a pupil teacher ratio of 23:1 and the pupil trained teacher ratio (PTTR) of 27:1 - in line with the ESP
that projects PTTR at 30:1 by 2020. The average SH school has on average 24 classrooms and there are about 60 students for each classroom. Thus additional classrooms are required by the schools to decongest the student classroom ratio from 45 to 40. About 10 percent of classrooms are temporary and about a third of them require some rehabilitation (15% of SHSs need major rehabilitation).

11. Fast increasing student numbers, increasing unit costs and escalating overall expenditures represent a significant additional burden on the expansion and sustainability of SHS. Between 2008 and 2012, the costs of SHS increased eight-fold from GH¢ 171 million to over GH¢ 1,050 million in nominal terms. The escalation may have been driven in 2012 by the full implementation of the single spine salary system with 97% of government funds allocated to compensation, leading to substantial reliance on donor sources to pay for non-salary activities. Per capita expenditures have also increased significantly by 55% and the unit costs (recurrent expenditures) increased by 40%. This also shows that the enrollment rate increase was surpassed by the expenditure increases. While enrolling all those who for now do not access SHS to the appropriate level is the most immediate challenge for the universality of SHS, the increasing unit costs of expanded SHS represents the biggest challenge for the sustainability of the system.

12. The budget structure and the Government’s public wage reform have created fiscal pressures and uncertainties for the strategic plans to expand SHS. The bulk of Government budget (62.7%) at secondary education level is used for salaries. Relative to basic educational levels, SHS has a relatively high share of the budget for goods and services. However, funding for this category is provided mostly by internally generated funds (IGFs), including fees for boarding and for other services paid mostly out of pocket by guardians and students. These fees have large variations by schools and by regions and these variations lead to significant disparities in terms of goods and services between better-off schools and those providing services to more remote and/or lower income communities. The GET Fund, a statutory resource, is used for investments. However, these investments show large variations from year to year and may not follow the Government planning and targeting expectations. In 2013, GETFund allocated US$40 million for SHS infrastructure investment but did not undertake any new construction ventures.

13. There is scope to improve the efficiency of SHS services. Key strategies that the Ministry of Education has introduced include: replacement of allowances paid to trainees of colleges of education (with tertiary student loan), rationalization and improved deployment of teaching staff and introduction. This is expected to lead to a gradual abolishment of automatic employment and teachers will be employed based on vacancies at specific schools. The replacement of allowances paid to about 27,000 trainees annually (about 10% of the payroll) will significantly reduce the wage bill at the basic level. Currently, there is a teacher rationalization committee undertaking an exercise to streamline teacher numbers and ensure that excess teachers are redeployed to needed areas including the new and expanded schools. A teacher rationalization guideline will be developed to ensure teacher numbers are commensurate with minimum teaching norms (40-PTR). This guideline is expected to be ready before effectiveness of the SEIP. The Ministry has set up a committee to provide recommendations for improving the teaching of Mathematics and Science. This policy reform is expected to improve quality, reduce repetition and improve grade transitions. Furthermore, affordable expansion of secondary could use additional efficiency strategies such as increasing cost recovery (e.g. for boarding, targeting subsidies); forging public-private partnerships, reducing repetition, increasing attendance; and improving school management—all likely to be considered during the implementation of the project.
II. Proposed Development Objectives
The Project Development Objective is to increase access to upper secondary education in underserved school districts and improve quality in low-performing senior high schools in Ghana.

III. Project Description
Component Name
Support to Increase Access with Equity and Quality in Senior High Schools
Comments (optional)

Component Name
Management, Research and Monitoring and Evaluation
Comments (optional)

IV. Financing (in USD Million)

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Cost:</td>
<td>155.00</td>
</tr>
<tr>
<td>Total Bank Financing:</td>
<td>155.00</td>
</tr>
<tr>
<td>Financing Gap:</td>
<td>0.00</td>
</tr>
</tbody>
</table>

For Loans/Credits/Others

<table>
<thead>
<tr>
<th>BORROWER/RECIPIENT</th>
<th>0.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Development Association (IDA)</td>
<td>155.00</td>
</tr>
<tr>
<td>Total</td>
<td>155.00</td>
</tr>
</tbody>
</table>

V. Implementation
The proposed Secondary Education Improvement Project will be implemented over a five year period from 2014 to 2019. As with previous education projects, a Project Steering Committee comprising the Ministry of Education, the Ghana Education Service, Ministry of Finance and the Ministry of Local Government and Rural Development will provide oversight on the project’s implementation activities.

The implementing agency will be the Ministry of Education which, in close collaboration with the Ghana Education Service, will be responsible for the project’s coordination, procurement and contract management, financial management, and compliance with safeguards policies. The M&E unit in Ministry of Education and the Ghana Education Service will be responsible for all sector level monitoring and evaluation with support provided by Ghana Statistical Service, WAEC, Inspectorate Board and other key agencies.

A Project Management Team (PMT) will be established to coordinate and oversee implementation. The PMT will derive from the Project Implementation Committee at the national level and will assume project control and monitor civil works executed in the four (4) zones of the country. The PMT will include key capacities for project implementation including the services of a Project management consultancy firm. The Regional Directorates for Education will be responsible for supervising all senior secondary school related interventions with respect to senior secondary institutional heads and will monitor the activities of senior secondary schools in their districts and regions. The Ghana Education Service will oversee all activities related to their mandates including
senior secondary subject teacher training, institutional leadership training, preparation of school partnership for quality plans, resourcing of schools for quality improvement, improvement of mathematics and science teaching, improvement of senior secondary school programs, ICT interventions, monitoring and evaluation, as well as school standards adherence and quality assurance.

VI. Safeguard Policies (including public consultation)

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td></td>
<td>✗</td>
</tr>
<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td></td>
<td>✗</td>
</tr>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td></td>
<td>✗</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td></td>
<td>✗</td>
</tr>
</tbody>
</table>

Comments (optional)

VII. Contact point

World Bank
Contact: Deborah Newitter Mikesell
Title: Senior Operations Officer
Tel: 473-4459
Email: dmikesell@worldbank.org

Borrower/Client/Recipient
Name: Ministry of Finance
Contact: Mr. Lawrence Nyanor
Title: Economic Officer, World Bank Unit
Tel: 
Email: LNYanor@mofep.gov.gh

Implementing Agencies
Name: Ministry of Education
Contact: Enoch Cobbinah
Title: Chief Director
Tel: 23321231664
Email: chiefdirector@moe.gov.gh
VIII. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: http://www.worldbank.org/infoshop