I. Introduction and Context

A. Country Context

1. While resource-rich, Myanmar remains one of the poorest countries in Southeast Asia. With a population of 51.4 million, the country has a per capita Gross Domestic Product (GDP) of US$1,275 (2016). Poverty steadily declined from 32.1% in 2004 to 25.6% in 2009 to 19.4% in 2015, using the method put forward in the Integrated Household and Living Conditions reports, concentrated particularly in rural and conflict-affected areas. At least 70 percent of Myanmar’s poor live in rural areas, and agriculture plays a critical role for both inclusive growth and poverty reduction, contributing close to 29 percent of output in 2015-16.

2. In 2011, the country embarked on a range of political, economic and administrative reforms, and since then successfully held national democratic elections (November 2015), which saw a landslide victory for the National League for Democracy (NLD). Thus, in recent years, the country experienced several successes: a strong economic growth (7.3 percent in 2015-16), a reduction in poverty from an estimated 32.1 percent in 2004/05, the signature of a nationwide ceasefire accord with several (though not all) of the ethnic armed groups, the smooth transfer of power between the military and new democratic government, etc.

3. Yet, government’s capacity is potentially misaligned with the scale of its reform agenda and several challenges remain, including significant ones around disparities, ethnicity, and conflict. Inequality has been rising and many people have limited or poor access
to quality services including health and education. Several of the non-Bamar ethnic organizations in the country seeking to sustain their own languages and cultures while retaining control over political and economic life in their area remain armed and/or actively opposed to the central government. Communal tensions and nationalist sentiment have grown, spilling over into violence in Rakhine State, as well as elsewhere in the country, in 2012 and 2016, deepening social fracture and causing widespread internal displacement. Important gender disparities exist in the labor force and employment.

4. **The government has identified education and poverty alleviation as key drivers to support the democratic and peace-building process and to achieve the national goal of Myanmar becoming a Middle Income Country by 2030.** In the education sector, achievement of these objectives is framed by the National Education Strategic Plan (NESP). The NESP provides a ‘roadmap’ for sector-wide education reforms over the next five years that would dramatically improve equitable access to quality education for students at all levels of the national education system. It also emphasizes the need for education benefits to be shared among broad segments of the population, and for excluded groups not to be left behind. A subset of the NESP is the proposed government program to be supported by this operation.

**B. Sectoral (or multisectoral) and Institutional Context of the Program**

5. **As a testament of the government’s education priority, public funding for education has significantly increased on a yearly basis between 2011-12 and 2016-17.** It went from MMK 310 billion (about US$230 million equivalent) in 2011-12 to more than MMK 1,600 billion (about US$1.4 billion equivalent) in 2016-17. This commendable increase reflects the growth in education budgets that outstripped spending in other social sectors (but not economic affairs, general public services, and defense). Nevertheless, public education spending as a percentage of GDP in Myanmar, at around 2.5 percent, remains considerably lower than most regional counterparts such as Vietnam, which spent 6.6 percent of GDP on education in 2012.

6. **Myanmar recently made significant progress in access to basic education but dropout rates remain significant.** Despite still lagging in comparison to other countries in the region such as Vietnam, the primary Net Total Enrolment Rate (NTER) increased significantly from 88 percent in 2009-10 to 93 percent in 2014-15, while it went from 53 to 55 percent at the secondary level (61 and 27 percent in middle and high school respectively). But drop-outs are important. On average, 14 percent of all children who started school stop before completing primary school, and the NER drops further in middle and high schools, with less than two-thirds and one-half (respectively) of students completing the cycle. Furthermore, only between 33 percent and 36 percent of student sitting on the matriculation exam pass. Thus, it is estimated that about 2.7 million children between 5 and 16 years old were out of schools in 2015-16, having dropped-out or never attended school.

7. **Cost, disability and poor health, and lack of interest are major barriers to access to education, especially for poor and rural households.** Relevant costs include transport, tutoring, pocket money, as well as the opportunity cost of jobs. Disability is reported as important and out of three of the 232,000 estimated children with disabilities are not in school. The nature of a “lack of interest” is harder to pinpoint but has been found in other contexts to be related to curriculum gap, where a child who successively falls behind at school loses the
motivation and interest to continue their studies, and/or to not viewing the return of schooling, in the labor market or beyond, as worthwhile. Having never attended and/or dropped-out of school are positively and significantly correlated with: (i) poverty; (ii) rural location (which is correlated with a higher likelihood of not speaking Burmese as a first language); (iii) certain region/state (and, despite the lack of data, one can assume certain townships); and (iv) slow grade progression (being over-age). There is gender parity on aggregate but there are economic, regional, and urban-rural disparities. For example, in poor households, 70 percent of girls complete primary school, compared with 73 percent of boys, but the reverse pattern is observed for completing middle school (25 percent of poor girls and 16.8 percent of poor boys). Shan State has the lowest female literacy rate among young women at 59.4 percent, and in Rakhine State more than half of 10-15 year olds are out of school (57 percent of girls and 49 percent of boys).

8. Available data suggest that many students are not achieving minimum learning outcomes, and that this is mostly explained by non-school factors (e.g. socio-economic status) but better offset and ameliorated by some schools than others. Results from the Early Grade Reading Assessments (EGRA) carried out in 2014 and 2015 show that between 10 percent and 15 percent of grade 2 students are unable to read a single word in a level-appropriate paragraph. A considerable proportion of the differences in students’ early reading skills is determined by non-school factors, such as the socio-economic status of students, the help one receives with homework, etc. However, some schools are apparently able to provide environments that successfully offset or ameliorate the effects of gender, family background, and home educational support.

9. The Ministry of Education (MoE) is the largest provider of education services in Myanmar, accounting for 83 percent of public spending in the sector, but there is also a sizable non-government sector delivering education services. This includes monastic schools and ethnic groups. The monastic school system, the second largest provider of basic education, operates in over 1,500 schools catering for almost 297,000 children (often from the poorest communities). Different ethnic groups provide education services to over 300,000 children outside the government system, with well-established systems operating in Karen, Mon, Kachin, and Kayah States. Most of the ethnic systems have their own policies, management, curricula, learner assessment frameworks, and teacher recruitment and development procedures. The National Ceasefire Agreement (NCA), between the Myanmar Government and eight ethnic armed organizations, has initiated a political dialogue aimed at resolving several issues including decentralization of service delivery to sub-national levels of government.

10. To address highlighted challenges in terms of access, drop-outs, and learning, the MoE has designed and implemented many significant reforms in recent years, notably on school funding, curriculum, infrastructure, and teachers. Transfers of funding to schools were scaled up to cover operational costs and ensure the free education policy is respected. Stipends to more than 150,000 poor students were paid to reduce poor households’ financial burden and reduce drop-outs. A large curriculum reform aiming to improve teaching and learning through thorough revisions of content and textbooks as well as the introduction of kindergarten (KG) nationwide and to better align the grade system to other countries was launched and will progressively be implemented in the years to come. Major investments in school infrastructure were made leading to the construction of over 8,000 new schools and more
than 12,000 new classrooms, and the renovation/upgrading of more than 15,000 classrooms. The MoE hired more than 60,000 new teachers in the last two to three years and supported the drafting of a Teacher Competencies Standards Framework, the basis for a draft Curriculum Framework to lengthen the duration (from a 2-year degree to a 4-year degree) and strengthen the content of teacher pre-service training in Education College.

11. Yet, major challenges remain with regards to the quality and inclusiveness of education services delivered by government and non-government providers. The learning and teaching conditions (infrastructure, teaching and learning material, water, sanitation and hygiene (WASH), accountability and transparency, leaderships, pedagogical practices, etc.) is not everywhere equally conducive of high learning achievements or disability-friendly so the infrastructure needs remain high, especially in light of the curriculum reform, and better incentives to promote the use of school-level funding to improve teaching and learning would be desirable. Competencies of teachers (about 350,000 of them in government basic education) varies widely, in-service teacher training offering is scattered, there is no existing cohesive professional development framework, teachers are promoted by moving up the levels resulting in a strongly biased age/experience/qualification distribution across grades (e.g. 40 percent of primary teachers having four years or less experience) and untrained head teachers. Because of differences between systems, most students attending non-state education institutions have difficulties transferring to government schools, which is generally necessary for lack of non-state providers to complete more than a primary cycle. The NESP was designed to address these challenges.

C. Relationship to CAS/CPF

12. The proposed operation supports the education sector and as such is well aligned with the World Bank Group’s Country Partnership Framework (CPF)'s second focus area: “investing in people and effective institutions for people”. The Myanmar Performance and Learning Review of the Country Partnership Framework for the period FY15-FY17 (Report No. 115306-MM), has extended the period of the current CPF by two years to June 30, 2019 and has continued to focus on three areas: (i) reducing rural poverty; (ii) investing in people and effective institutions for people; and (iii) supporting a dynamic private sector to create jobs. Activities in these focus areas integrate four cross-cutting issues that are important for the achievement of the World Bank Group’s twin goals: gender, conflict, governance, and climate change/disaster risk. This operation fits under the “investing in people and effective institutions for people” pillar of the CPF. Furthermore, it would support Myanmar’s transformation towards empowerment and inclusion by providing targeted support to help Myanmar approach universal access to education services and to enable the socially marginalized and excluded poor to benefit from education.

II. Program Development Objective(s)

A. Program Development Objective(s)

13. The project development objectives are “to increase equitable access, completion and learning in primary education in targeted disadvantaged townships and to strengthen
capacity of education systems”. The PDO would be achieved by supporting a subset of the NESP strategies and components. The PDO is well aligned with the NESP goal, the GPE’s strategic goals, the Sustainable Development Goal for Education (SDG4), the WB twin goals and would build on lessons and best practices presented in the World Development Report 2018.

B. Key Program Results

14. Preliminary proposal on results that are expected to reflect and measure success in achieving the PDO are as follows: (i) Improved learning in primary education: Percentage point increase in average literacy and numeracy outcomes for grade 2 students in formal and non-formal primary education programs in targeted townships; (ii) Improved teaching and learning conditions in primary education: Average percentage improvement in education providers and teachers’ conformity to standards; (iii) Improved access and completion of primary education: Percentage point increase in the number of students accessing and completing formal and non-formal primary education program in targeted townships; (iv) Improved equity in primary education: Reduction of the gaps in learning outcomes, teaching and learning conditions, and access and completion rates between targeted and non-targeted townships and between boys and girls; (v) Strengthened education systems: Availability of roadmap towards establishing a minimum and coherent education framework to protect all children’s chances even in the middle of political and armed conflicts.

III. Program Description

A. PforR Program Boundary

Government Program to be supported

15. The on-going government program to be supported by this operation is a subset of the 2016-21 NESP strategies and components selected as priorities through a consultative process involving MoE, DPs, and Civil Society Organizations (CSOs). The NESP is meant to include all MoE activities to focus all efforts (including DPs funding and technical assistance) towards common goals and results. The MoE has identified nine Transformational Shifts (TS), defined as high-level vision statements that describe a desired future state of parts of the education sector in Myanmar in 2021, that would collectively contribute to the achievement of the NESP goal. Among these, the components that this operation would support the five TS circled in figure 1. Within these five TS, the operation’s result areas would focus on a selected number of activities (full list of NESP components is available in the accompanying document).

16. To maximize impact on equity and inclusiveness, results measured at the deconcentrated level (e.g. schools and other education providers, teachers, townships, education staff, etc.) would be focused on a predefined subset of the townships identified as requiring the most urgent support given their weak educational outcomes. The current proposal is to cover about 115 townships (or 35 percent of all townships in the country). To identify those townships, a rigorous prioritization process will be undertaken, using pre-established and MoE-approved criteria informed by the latest relevant evidence and data. This would include data from the recent national census, the MPLCS, as well as the census and baseline mapping of basic education schools and alternative education providers described in the
NESP, which would be carried-out during preparation. Education outcomes to be used in the township identification process would include NER, out-of-school rates, primary drop-outs and completion rates, transition rates from primary to middle schools, learning outcomes (if available at this disaggregated level), etc. These communities and townships, where education outcomes are the weakest, are likely to be in rural and remote areas as well as within or near conflict and/or recently post-conflict zones.

Figure 1: Nine NESP Transformational Shifts, included in and excluded from the Program

Structure of the PforR operation

17. **The overall philosophy of the operation would be to support the implementation of activities:** (i) organized within three result areas; (ii) including (to different degrees, given the various constraints) the three education systems existing in the country - formal (government), non-formal (government and non-government), and complementary, which includes monastic schools, Internally Displaced Person (IDP) camps learning areas, and ethnic education providers; and (iii) targeting two levels of results aiming for changes in the short-term (“intervention”) and
longer-term ("systems strengthening"). These three result areas are summarized below.

**RA1: Improving access to and teaching and learning conditions in primary education service delivery**

18. **Result Area 1 would aim to “improve access to and teaching and learning conditions in primary education service delivery”.** This Result Area (RA) would support achievement of the PDO by: (i) Establishing and rolling-out strong Quality Assurance systems; and (ii) Strengthening Quality Improvement Planning and Funding in formal primary schools and non-formal education providers of targeted townships.

19. **Systems strengthening would be supported through the additional information, guidance, capacity, means and incentives resulting from the proposed activities.** Quality Assurance (QA) standards and monitoring mechanisms would provide needed guidance to education providers on how they can improve the quality and inclusiveness of the service they deliver. Better planning and funding would provide education providers with the capacity, means, and incentives to act upon the advice emanating from the QA process, and execute the appropriate changes. Access and teaching and learning conditions in townships targeted for their weak education outcomes would be increased through the additional funding flowing to: (i) formal schools who are further away from meeting the minimum standards and those for which expansion and upgrading of their infrastructure is necessary to meet demand; and (ii) new non-formal primary education (NFPE) providers meeting the standards to increase coverage of the NFPE services.

20. **Short-term concrete and measurable changes would result from specific QA standards and funding aligned with relevant inputs and practices.** Specific QA standards for inputs and practices proven to impact literacy and numeracy in the early grades, the use of local language, appropriate WASH and nutrition behaviours, and inclusiveness of children with disability would be established and linked to the result-based portion of the funding.

**RA2: Enhancing teachers’ and leaders’ effectiveness**

21. **Result Area 2 would aim to “enhance teachers’ and leaders’ effectiveness”.** This RA would support achievement of the PDO by: (i) Establishing a National Centre for Teacher Professional Development (NCTPD); and (ii) Delivering a Structured Teacher Professional Development Program.

22. **Systems strengthening would be supported through the establishment and roll-out of a systematic teacher and school leader professional development program.** The NCTPD would be staffed with experts and be responsible for: (i) providing vision and strategy in developing pedagogical and leadership maps aligned with the Teacher Competency Standards Framework, initiating partnership arrangements, and consulting relevant stakeholders; (ii) leading and overseeing content development and resources; and (iii) managing and ensuring quality of the delivery. The professional development program would be delivered through a mix of onsite face-to-face training and online learning platform (which would be a learning, knowledge sharing and networking application). To improve equitable opportunities, priorities for on-site face-to-face training would be given to teachers and leaders working in the targeted
townships and, in the case of special education, for teachers working in practicum schools connected to Education Colleges. KG and primary grades teachers in all systems (formal MoE schools, non-formal primary education providers, and complementary systems) would be eligible to participate in face-to-face training and access the online platform.

23. **Short-term concrete and measurable changes would result from prioritizing the development and delivery of content and material for relevant topics.** The development and evidence-based testing of specific content, materials and delivery roll-out plans would prioritize: (i) leadership skills, pedagogical skills and interactive teaching methods for the effective teaching of literacy and numeracy in the early grades; (ii) skills and methods to using ethnic languages in teaching; (iii) special education competencies and practices; (iv) non-formal classroom management, teaching practices, and community development and leadership.

**RA3: Strengthening Systems and Bridges**

24. **Result Area 3 would aim to Strengthen Systems and Bridges.** This RA would support achievement of the PDO by: (i) Building Capacity and Strengthening System beyond the system strengthening initiatives included in RA1 and RA2; and (ii) Preparing a Road Map to create Bridges and Linkages between MoE and ethnic education systems.

25. **Systems strengthening would be supported through the improvement of systems and human resources capacities for implementation, accountability and efficiency.** The exact nature of these activities would be further defined during preparation on the basis of more detailed technical, fiduciary and social and environmental assessments, and would account for other ongoing and planned support to systems-strengthening and capacity building.

26. **Short-term concrete and measurable changes would be supported through facilitated dialogue towards partnership mechanisms.** MoE recognizes its duty to protect the right to education for all children of Myanmar, regardless of their ethnicity, location of residence, nationality, gender, religion, etc. Therefore, this operation would support: (i) better partnerships with states and regions; and (ii) the development of a partnership mechanism to support the participation of different education service providers in the NESP basic education reforms, including the preparation of a roadmap towards establishing a minimum and coherent education framework to protect all children’s chances even in the middle of political and armed conflicts. This minimum may include: recognizing all educational services being provided, agreement on equivalency standards to help children transfer between systems, support in provision of textbooks and deployment of teachers to the conflict areas, accepting ethnic education systems teachers in the government in-service training programs such as the TCDP, etc.

27. **While designed to support the ongoing peace process, it is important to recognize that this RA is politically sensitive.** Therefore, extensive consultations would be carried-out during preparation and the team would draw on the Bank’s, DPs’ and/or consultants’ expertise in ensuring approaches for engaging with ethnic service providers and different region/state officials are appropriate and conflict sensitive. The appraised format and content of this RA included in the Project Appraisal Document (PAD) may therefore significantly differ from the
Preliminary Ideas on DLIs

A subset of the NESP outcomes, outputs, and performance results aligned with supported RA would be chosen as Disbursement Linked Indicators (DLIs). Each DLI would have an agreed monetary value. Given the reasonably detailed NESP program, the team proposes a blend of outcome, output, and performance indicators as DLIs. Furthermore, DLIs would be separated in two categories, RA-specific, which would be standard DLIs, and GPE Variable-specific, which are required by GPE to obtain 30 percent (US$22 million) of the total allocation. Moreover, for all DLIs, the key focus would be, on one hand, to provide the most appropriate incentives to achieve key results while, on the other hand, to keep the DLI simple and few so as to take into consideration feasibility and practical aspects of measuring, monitoring, and verifying achievements. Finally, for any agreed DLI, the PforR instrument would allow ‘pre-payment’ of results achieved between the period of the CN review and the signing of the legal agreements, provided credible baseline data is available and progress towards results can be verified.

IV. Initial Environmental and Social Screening

The overall social impacts of the program are likely positive, owing to the program design to improve equitable access and learning in primary education services in Myanmar, but the program also entails key potential social risks. The potential social risks are as follows: (i) Risks associated with School Committee for Civil Works oversight of minor school construction; (ii) Potential risks associated with land acquisition; (iii) Exclusion of vulnerable groups of children, including ethnic minorities, from education services; and (iv) Risks related to ongoing conflict. A more detailed description is provided in Annex 1.

Environmental risks of the Program are considered low, stemming primarily from small scale civil work for rehabilitation, upgrading or expansion of school facilities, siting of expanded facilities, and worker and community safety during small civil works. These risks are easily managed through standard operating procedures and good construction practices. Environmental aspects and systems to manage them will be further examined through the Environmental and Social Systems Assessment (ESSA).

An ESSA will be prepared during preparation through review of available data, consultations with stakeholders, and detailed analysis for the social and environmental effect of the program and the institutional context. The ESSA will assess existing social risks that the program will aim to address, social risks that may potentially be exacerbated by the program, and social risks that may hinder the implementation of the program. The ESSA will then identify main areas for action to ensure that the program interventions are aligned with the Core Principles of World Bank Policy for Program-for-Results Financing. Key actions and measures identified in the ESSA will be included as part of the Project Action Plan. Similarly, ESSA will assess the environmental risks and readiness of the program systems to address them.
V. Tentative financing

Source
Borrower/Recipient: USD 228 million
IBRD: NA
IDA: USD 100 millions
Others (Global Partnership for Education): 72 million
Total USD 400 million

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