REPORT NO.: RES39494

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

GLOBAL PARTNERSHIP FOR EDUCATION - BALOCHISTAN EDUCATION PROJECT

APPROVED ON MARCH 18, 2015

TO

ISLAMIC REPUBLIC OF PAKISTAN

EDUCATION

SOUTH ASIA

Regional Vice President: Hartwig Schafer
Country Director: Patchamuthu Illangovan
Regional Director: Lynne D. Sherburne-Benz
Practice Manager/Manager: Mario Cristian Aedo Inostroza
Task Team Leader(s): Juan Baron, Elena Maria Roseo
I. BASIC DATA

Product Information

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Financing Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>P144454</td>
<td>Investment Project Financing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Original EA Category</th>
<th>Current EA Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partial Assessment (B)</td>
<td>Partial Assessment (B)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approval Date</th>
<th>Current Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-Mar-2015</td>
<td>30-Apr-2020</td>
</tr>
</tbody>
</table>

Organizations

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Responsible Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamic Republic of Pakistan</td>
<td>Secondary Education Department of Balochistan</td>
</tr>
</tbody>
</table>

Project Development Objective (PDO)

Original PDO

To increase school enrollment and retention in project supported schools, with a special focus on girls’ participation, and to develop mechanisms for information collection and use for improved management of education.

Summary Status of Financing

<table>
<thead>
<tr>
<th>Ln/Cr/Tf</th>
<th>Approval</th>
<th>Signing</th>
<th>Effectiveness</th>
<th>Closing</th>
<th>Commitment</th>
<th>Disbursed</th>
<th>Undisbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>TF-B0772</td>
<td>30-Jul-2019</td>
<td>30-Aug-2019</td>
<td>30-Aug-2019</td>
<td>30-Apr-2020</td>
<td>7.00</td>
<td>7.00</td>
<td>0</td>
</tr>
<tr>
<td>TF-19124</td>
<td>25-Mar-2015</td>
<td>25-Mar-2015</td>
<td>25-Mar-2015</td>
<td>30-Sep-2019</td>
<td>34.00</td>
<td>34.00</td>
<td>0</td>
</tr>
</tbody>
</table>
Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?
No

I. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

PROJECT STATUS

1. The Balochistan Education Project (GPE-BEP) (P144454) assists the Government of Balochistan (GoB) in financing key activities in the Education Sector Plan (ESP) to increase students’ access and retention in primary and secondary education. This financing supports the implementation of public education sector reform in Balochistan. As a member of the GPE, Pakistan received a US$34 million grant for the province of Balochistan and the Local Education Group (LEG) designated the Bank as the Supervising Entity (SE) for the grant and the United Nations Children’s Fund (UNICEF) as the Coordinating Agency (CA). Through an Additional Financing, GoB later received a grant in the amount of EUR 10 million equivalent from the European Commission (EC), for which the World Bank (WB) and the EC signed an Administration Agreement. The objective of the Additional Financing was to increase the scope of some activities, incorporate a limited number of new activities that complemented existing ones, and to cover cost overruns. So far, a grant agreement between IBRD and GoB has been signed for an initial amount of USD 7 million, to be subsequently increased for up to the total approved amount. The amendment to the grant agreement will be signed once the remainder of funds are received from the EU, and no later than May 7, 2020.

2. The project was approved by the Bank’s Regional Vice President on March 18, 2015 and became effective on March 25, 2015. The subsequent Additional Financing integrating EU funding was approved on July 18, 2019 and became effective on August 30, 2019. The Project Development Objective (PDO) is to increase school enrollment and retention in project supported schools, with a special focus on girls’ participation, and to develop mechanisms for information collection and use for improved management of education. The project has three components to achieve its objectives: (i) Access and Equity, which seeks to expand access through community school mechanisms (Subcomponent 1.1) and support students’ transition to higher levels of education (Subcomponent 1.2); (ii) Quality and Increased Accountability, which promotes early childhood education through teacher training and teacher learning materials (Subcomponent 2.1) and school information collection, dissemination and use for improved planning and decision making (Subcomponent 2.2); and (iii) Technical Assistance for Improved Capacity for Management and Monitoring. The original closing date of the project was December 30, 2018 but was extended until June 30, 2019 and subsequently until April 30, 2020 to allow for completion of ongoing and newly expanded activities after approval of the Additional Financing. While GPE funding closed on September 30, 2019, activities will carry on through EC funding until project closing.

3. The project is advancing towards the achievement of its objectives despite operating in one of the most challenging security and geographical environments in the country:

(a) ‘Progress towards achievement of PDO’ is Moderately Satisfactory (MS). All GPE project funds were disbursed and spent towards the achievement of the PDO on time by GPE funding closing; USD 7 million of the EC funds have been disbursed and implementation is undergoing. Out of the five PDO indicators, two end targets have been met while three are making good progress. The MS rating reflects the fact that final targets on access have been only partially achieved.
(b) ‘Overall Implementation Progress’ is Satisfactory (S). In addition, the project has no pending financial audits and is compliant with legal covenants despite frequent changes of leadership at the Project Management Unit (PMU).

4. Since the Additional Financing became effective in August 2019, the PIU has advanced and completed preparatory activities and has set-up for AF implementation, including strategic and technical work, preparing procurement, budgetary and implementation plans which have been approved, developing relevant activity concept notes, and advancing procurement processes for all major AF activities. Further details on achievements under the closed GPE grant and advancements on the EC grant are included below.

5. However, the current COVID-19 pandemic is impacting project activities across the province. Since February 2020, the number of confirmed COVID-19 cases in Pakistan has risen to 8,418 of which 176 deaths reported as of April 20, 2020 (with 432 confirmed cases and 5 deaths in Balochistan) despite containment measures, including a partial lockdown until April 30 (likely to be extended). The Government of Pakistan (GoP) decided the nationwide closure of all educational institutions, including public and private schools, colleges, universities, vocational institutions and religious institutes until May 31, 2020, as well as the postponement of all examinations until this date. This has impacted the implementation of all project activities, particularly those requiring physical presence, which have been suspended until the lockdown is lifted (such as teacher training, school management committee trainings, completion of land mutations, field visits from PIU, etc.). The PIU, while working remotely and supported by the WB, is making every effort to carry forward project activities during the lockdown, including adjusting procurement processes to enable them to continue, albeit at a slower pace.

6. In Component 1, Access and Equity: As per information in the PIU October-December 2019 quarterly report, student retention rates have increased in targeted schools to 81 percent since the beginning of the project, above the target of 80 percent; 3,127 girls have been enrolled in school in lower secondary education (out of target of 9,127). The component has also supported enrollment in primary grades 1 to 5 of 38,366 girls and 17,942 boys, although original targets were 48,000 for each gender. In addition, 708 new primary schools were established through community support out of an end target of 725; 95 out of 195 schools were upgraded from primary to middle level; and 25 out of 25 schools were upgraded from middle to higher secondary level out of a target of 25. In addition, under the AF, 300 schools have been selected to receive rehabilitation to make 1,000 existing classrooms functional; the hiring of an Engineering, Design, Supervision and Quality Assurance firm to oversee construction has been completed, and the procurement for construction firms is under way; construction is expected to start as soon as activity resumes in the province and the COVID-19 lockdown is lifted. These schools will also benefit from interventions in Component 2. Finally, preparation to launch the newly added pilot activity to increase education access for girls through the provision of transportation services is underway, and a consultant to conduct a preliminary transportation assessment study is expected to be hired in May 2020. This pilot is expected to benefit 700 female students and teachers by project closing.

7. Component 2, Quality and Increased Accountability, shows progress despite underachievement when compared with original end targets of the project. The component has so far provided furniture to 843 government schools (out of a target of 1,145), teaching and learning material to 828 school (out of a target of 1,145), has established Early Childhood Education programs in 828 schools (out of a target of 1,145), has trained 4,465 members of Parent Teacher School Management Committees (PTSMCs) (out of a target of 6,365), and has trained 1,812 teaching staff (out of a target of 2,488). The component has also produced a learning assessment on basic numeracy and literacy in early grades that will be key to designing better training programs for teachers and informing the new ESP.
8. Component 3, Technical Assistance for Improved Capacity for Management and Monitoring is underway to achieve its main indicators. Namely, regular reports are generated and made public annually on selected indicators for schools; information is collected during the year using the real-time Education Management Information System (EMIS); and there have been improvements in the teacher recruitment process through externally administered tests. The project has made strides in using technology to better monitor, collect data, and facilitate supervision processes. The PMU, in coordination with donors, has developed instruments and processes to document and monitor, in real time, all project activities accurately and publish informative reports on school performance.

9. Finally, the project is also compliant with all legal covenants. The project’s implementation reports, and financial audits are unqualified and have been delivered timely.

PROPOSED CHANGES:

10. The project closing date will be extended by 14 months, from April 30, 2020 to June 31, 2021 (this is the first extension of the original EC grant closing date) in order to account for delays in the processing of the Additional Financing which introduced the EC grant into the Balochistan Education Support project, and to allow for the implementation of ongoing activities under the project given delays caused by school closures surrounding the COVID-19 pandemic. The proposed Restructuring will not change the original PDO of the project, and the project will retain all existing implementation arrangements. GoB requested an extension of the end-disbursement date of the Financing Agreement on October 2, 2019 and it was approved by the EC on October 29, 2019. An amendment to the Administration Agreement between the WB and the EC to extend the end-disbursement date of the Trust Fund was signed on March 27, 2020.

11. The processing of the Additional Financing, which introduced the EU grant into the Balochistan Education Support project, experienced several delays. Discussions took place between the Government of Balochistan, the PIU and the WB surrounding the approach to the school upgradation activity and the selection of schools to be upgraded, as well as the inclusion of a transportation activity. These discussions, coupled with changes in leadership at the Department of Education in Balochistan, delayed project implementation. Once the Additional Financing was approved in July 2019, the GoB and PIU turned their focus towards finalizing implementation preparation to ensure a speedy start of project activities, which are well underway (as described in the status section).

12. The COVID-19 crisis, present in the country since February 2020, has engendered the closing of all educational institutions across the nation, the establishment of an ongoing lockdown in Balochistan, and the refocusing of GoB’s attention towards responding to the crisis. This has impacted the implementation of all ongoing activities under the project, while bringing certain activities requiring physical presence to a complete halt until the lockdown is lifted. The project closing date extension will allow additional time to align project activities to the current crisis while allowing for the implementation of ongoing activities given delays caused by the crisis.

13. The Project will continue to align squarely with the strategic framework of the Balochistan Education Sector Plan (BESP) 2012-17, and the approved Balochistan Education Sector Plan (BESP) 2013-2018, both developed with the GoB and the Local Education Group. The GoB with the support from partners is developing a new Sector Plan for 2019-2024, and no major strategic shifts are expected. Moreover, the Project will continue to contribute to the Country Partnership Strategy (2015-2019)—Report No. 84645-PK, by supporting Results Area 3 (Inclusion) and Result Area 4 (Service Delivery). Particularly, the Project will support Outcome 4.3—Increased School Enrollment and Adoption of Education Quality Assessment, and Outcome 3.2—Reduce vulnerability for groups at risk. Finally, the Project will
support the implementation of the Pakistan@100 recommendations with regards to improving human capital; Pakistan ranks 134 out of 157 countries in the Bank’s Human Capital Index.

14. The extension of closing date will not raise the Overall risk assessment of the Project, which will be maintained as High. This rating stems from High risks in Political and Governance, Macroeconomic, and Stakeholder risks. Mitigation measures at the Project level include strengthening of citizen engagement mechanisms, as well as mainstreaming of community participation in Project-supported schools.

II. DETAILED CHANGES

<table>
<thead>
<tr>
<th>Loan Closing Date(s)</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Original Closing</th>
<th>Proposed Closing</th>
<th>Proposed Deadline for Withdrawal Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>TF-B0772</td>
<td>Effective</td>
<td>30-Apr-2020</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>