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Report No: PAD4027

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A PROPOSED GRANT

IN THE AMOUNT OF
SDR 111.2 MILLION
(US$160.0 MILLION EQUIVALENT)

AND

A TRUST FUND GRANT IN THE AMOUNT OF
US$139.0 MILLION
FROM THE GLOBAL PARTNERSHIP FOR EDUCATION

TO THE REPUBLIC OF MOZAMBIQUE

FOR AN

IMPROVING LEARNING AND EMPOWERING GIRLS IN MOZAMBIQUE PROJECT

March 5, 2021

Education Global Practice
Eastern and Southern Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective February 28, 2021)

Currency Unit =	Metical (Pl. Meticais)
Mt. 74.63 =	US$1
SDR 0.69479667 =	US$1

FISCAL YEAR
January 1 - December 31

Regional Vice President:	Hafez M. H. Ghanem
Country Director:	Idah Z. Pswarayi-Riddihough
Regional Director:	Amit Dar
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ABBREVIATIONS AND ACRONYMS

ADE-D	Direct Support to School Program, Performance-based School Grants (*Apoio Directo as Escolas - Desempenho*)
AWP	Annual Work Plan
APA	Alternate Procurement Arrangements
CCC	Community Coordination Committees
CERC	Contingent Emergency Response Component
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
CUT	Single Treasury Account (*Conta Única do Tesouro*)
DAQUI	Procurement Department of MINEDH (*Ministério da Educação e Desenvolvimento Humano*)
DFIL	Disbursement and Financial Information Letter
DGGQ	Education Quality Management Department
DRH	Human Resources Department (*Direcção de Recursos Humanos*)
DICIPE	Integral Development of Children of Preschool Age (*Desenvolvimento Integral da Criança em Idade Pré-escolar)*
DIEE	Directorate of School Infrastructure and Equipment (*Direcção de Infraestruturas e Equipamentos Escolares*)
DINEP	National Directorate of Primary Education (*Direcção Nacional de Ensino Primario*)
DINES	National Directorate of Secondary Education (*Direcção Nacional de Ensino Secundário*)
DIPLAC	Directorate of Planning and Cooperation (*Direcção de Planificação e Cooperação*)
DL	Distance Learning
DNFP	National Directorate for Teacher Training (*Direcção Nacional de Formação de Professores*)
DINUSE	Directorate for Nutrition and School Health (*Direcção de Nutrição e Saúde Escolar)*
ECD	Early Childhood Development
EEP	Eligible Expenditure Program
ELDS	Early Learning and Development Standards
EMIS	Education Management Information System
ENDEE	National Strategy for the Development of Education Statistics (2020–2024)
ESA	Education Sector Analysis
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
e-SISTAFE	Government Integrated Financial Management Information System
ESP	Education Strategic Plan
ESSP	Education Sector Support Project
FASE	Education Sector Support Fund (*Fundo de Apoio ao Sector de Educação*)
FI	Financial Intermediaries
FM	Financial Management

GBV	Gender-Based Violence
GCC-alargado	Extended Joint Coordination Group (*Grupo Conjunto de Coordenação - Alargado*)
GDP	Gross Domestic Product
GER	Gross Enrollment Rate
GoM	Government of Mozambique
GPE	Global Partnership for Education
GRM	Grievance Redress Mechanism
HCI	Human Capital Index
HD	Human Development
HDD	Harnessing the Demographic Dividend
HEIS	Hands-on Enhanced Implementation Support
IAASB	International Auditing and Assurance Standards Board
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communications Technology
IDA	International Development Association
IFAC	International Federation of Accountants
IFP	Teacher Training Institute (*Instituto de Formação de Professores*)
IFR	Interim Financial Report
IGF	General Inspectorate of Finance (*Inspeção Geral das Finanças*)
IMF	International Monetary Fund
INDE	National Institute for Educational Development (*Instituto Nacional de Desenvolvimento da Educação*)
INS	National Institute of Health (*Instituto Nacional de Saúde*)
IOM	International Organization for Migration
IPF	Investment Project Financing
IRM	Immediate Response Mechanism
IRR	Internal Rate of Return
IST	Implementation Support Team
IVA	Independent Verification Agency
LEG	Local Education Group
MAF	Finance Administration Manual (*Manual de Administração Financeira*)
M&E	Monitoring and Evaluation
MGCAS	Ministry of Gender, Children and Social Action (*Ministério do Gênero, Criança e Acção Social*)
MINEDH	Ministry of Education and Human Development (*Ministério da Educação e Desenvolvimento Humano*)
MISAU	Ministry of Health (*Ministério da Saúde*)
MOU	Memorandum of Understanding
MPA	Multiphase Programmatic Approach
NGO	Nongovernmental Organization
NLA	National Learning Assessment
NPV	Net Present Value
PBC	Performance-Based Condition
PEF	Pandemic Emergency Facility

PFM	Public Financial Management
PFS	Project Financial Statements
PIM	Project Implementation Manual
PIN	Integrated Nutrition Package (*Programa Integrado de Nutrição*)
PISA	Program for International Student Assessment
PLR	Performance and Learning Review
PPSD	Project Procurement Strategy for Development
RAR	Annual Sector Performance Assessment Meeting (*Reunião Annual de Revisão)*
RBF	Results-based Financing
RPF	Resettlement Policy Framework
SCD	Systematic Country Diagnostic
SDEJT	District Services of Education, Youth, and Technology (*Serviços Distritais de Educação, Juventude e Tecnologia*)
SDI	Service Delivery Indicators
SIGE	National Education Management Information System (*Sistema de Informação para Gestão de Educação*)
SEA	Sexual Exploitation and Abuse
SH	Sexual Harassment
SME	Small and Medium Enterprise
SOP	Series of Projects
SORT	Systematic Operation Risk-Rating Toll
SRH	Sexual and Reproductive Health
SSA	Sub-Saharan Africa
STEP	Systematic Tracking of Exchanges in Procurement
TB	Tuberculosis
TF	Trust Fund
TOR	Terms of Reference
TPP	Third-Party Provider
UN	United Nations
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VAC	Violence Against Children
WASH	Water, Sanitation and Hygiene
WB	World Bank
ZIP	School Clusters (*Zonas de Influência Pedagógica*)

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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name
Mozambique	Improving Learning and Empowering Girls in Mozambique

Project ID	Financing Instrument	Environmental and Social Risk Classification
P172657	Investment Project Financing	Substantial

Financing & Implementation Modalities

[ ] Multiphase Programmatic Approach (MPA)	[✓] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[✓] Fragile State(s)
[✓] Performance-Based Conditions (PBCs)	[ ] Small State(s)
[ ] Financial Intermediaries (FI)	[ ] Fragile within a non-fragile Country
[ ] Project-Based Guarantee	[ ] Conflict
[ ] Deferred Drawdown	[ ] Responding to Natural or Man-made Disaster
[ ] Alternate Procurement Arrangements (APA)	[ ] Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
26-Mar-2021	31-Dec-2025

Bank/IFC Collaboration

No

Proposed Development Objective(s)

Increase learning readiness and girls' retention in upper grades of basic education prioritizing underserved areas of Mozambique.

Components

Component Name	Cost (US$, millions)

Improving learning in primary education	90.00
Increasing access and retention of girls in upper primary and lower secondary education	150.00
Strengthening governance to improve efficiency and monitoring of education outcomes progress	55.50
Project management, monitoring and evaluation	3.50
Contingent Emergency Response	0.00

Organizations

Borrower:	Republic of Mozambique
Implementing Agency:	Ministry of Education and Human Development

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	299.00
Total Financing	299.00
of which IBRD/IDA	160.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	160.00
IDA Grant	160.00

Non-World Bank Group Financing

Trust Funds	139.00
EFA-FTI Education Program Development Fund	139.00

IDA Resources (in US$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount

Mozambique	0.00	160.00	0.00	160.00
National PBA	0.00	160.00	0.00	160.00
Total	**0.00**	**160.00**	**0.00**	**160.00**

INSTITUTIONAL DATA

Practice Area (Lead)

Education

Contributing Practice Areas

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	Substantial
2. Macroeconomic	High
3. Sector Strategies and Policies	Substantial
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Substantial
7. Environment and Social	Substantial
8. Stakeholders	Moderate
9. Other	
10. Overall	Substantial

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes [✓] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

The Recipient, through MINEDH, shall, not later than two (2) months after the Effective Date, establish and thereafter maintain at all times during the implementation of the Project, an Implementation Support Team, with a mandate, terms of reference, functions and resources satisfactory to the Association and in alignment with the revised implementation mechanism of the Education Sector Support Fund ("FASE"). (Legal Agreement - Section I.A.2)

Sections and Description

The Recipient shall not later than two (2) months after the Effective Date, recruit the gender/GBV specialist referred to above, under terms of reference and with qualifications and experience acceptable to the Association. (Legal Agreement - Section I.A.4 (a))

Sections and Description

The Recipient shall not later than six (6) months after the Effective Date, appoint external financial auditor, under terms of reference and with qualifications and experience acceptable to the Association. (Legal Agreement - Section I.A.4 (b))

Sections and Description

The Recipient shall, not later than two (2) months after the Effective Date, prepare and adopt a Project Implementaion Manual in form and substance acceptable to the Association, which shall set forth rules, methods, guidelines, standard documents and procedures for carrying out the Project. (Legal Agreement - Section 1.B.1)

Sections and Description

The Recipient shall not later than four (4) months after the Effective Date, appoint and enter into a verification agreement with one or more Verification Agencies, under terms of reference satisfactory to the Association and following terms of reference agreed between the Recipient and the Association. (Legal Agreement - Section 1.G.1 (a))

Sections and Description

Without limitation upon the provisions of paragraph 2 above, if 60 days prior to the Closing Date, the Association determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Recipient shall: (a) not later than 30 days before the Closing Date, prepare and present to the Association, including a timetable and budget allocation for such measures and actions (which action plan shall deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Association. (Legal Agreement - Section 1.E.3)

Sections and Description

Not later than December 30 of each year, furnish the draft annual work plan and budget for the following year to the Association for its review, except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished not later than one (1) month after the Effective Date, and promptly thereafter finalize the draft annual work plan and budget, taking into account the Association's comments thereon. (Legal Agreement - Section 1.F.2)

Conditions

Type	Description
Effectiveness	The Additional Condition of Effectiveness consist of the following, namely that the execution and delivery of the GPE Grant Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental and corporate action. (Legal Agreement - Art 4.01)
Type	Description
Disbursement	In respect to Category (1) above, until and unless the Performance-Based School Grants Annex has been adopted by the Recipient, in a manner acceptable to the Association. (Legal Agreement - Section III.B.1(b))
Type	Description
Disbursement	For Emergency Expenditures under Category (4), unless and until all of the following conditions have been met in respect of said expenditures: (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (4); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association. (Legal Agreement - Section III.B.1(c))

I. STRATEGIC CONTEXT

A. Country Context

1. **Mozambique has a young and rapidly expanding population, posing a challenge and an opportunity to long-term development.** Over the last 30 years, the population in Mozambique increased from 12 million to 28 million. The fertility rate is one of the highest in the region and the world,[1] with 5.2 children per adult woman. As a result, the Mozambican population has been getting younger and the dependency rate has been increasing. This large pool of young children puts pressure on social services and can undermine poverty reduction. However, with the right investments, these young children can become the human capital that will lead Mozambique's development.

2. **Human capital development is low, and there are wide geographical and gender disparities across the country.** Mozambique ranks 148 out of 157 countries according to the Human Capital Index (HCI).[2] The HCI for Mozambique was 0.36 in 2018, which is below the Sub-Saharan African (SSA) average of 0.40 and far from the worldwide average of 0.57. Despite efforts over the last decades, illiteracy in Mozambique is still one of the highest in the region with an average adult illiteracy rate of 39 percent.[3] Half of the rural population and half of Mozambican women are illiterate (compared to 19 percent of urban adults and 27 percent of men) and the highest rates are in the northern part of the country. Moreover, women in Mozambique completed, on average, only 1.4 years of schooling, 2.0 years below the average schooling among men of 3.4 years, which in itself is also very low. Regional disparities across the territory are significant, with development outcomes in the north and center lagging the south. Robust economic growth following the end of the civil war has not been inclusive or shared evenly across the territory.

3. **The coronavirus disease 2019 (COVID-19) outbreak reached Mozambique at a weak moment in its economic history as the country attempted to recover from two major shocks: the hidden debt crisis and the devastating effects of Cyclones Idai and Kenneth in 2019.** In 2016, Mozambique's track record for high growth was disrupted when large previously undisclosed external borrowing, amounting to US$1.3 billion, came to light. The hidden debt crisis dented confidence in the country, increased debt levels, and more than halved the average rate of growth. In 2019, Cyclones Idai and Kenneth caused massive damage to infrastructure and livelihoods, further lowering growth and well-being of the population. COVID-19 now presents a massive setback that could erase past gains.

4. **COVID-19 dims the short-term growth prospects of Mozambique.** Mozambique registered its first case on March 22, 2020. As of January 24, 2021 the number of people tested stands at 324,868, of which 32,418 (10 percent) percent have tested positive. Economic activity is declining as social distancing measures and travel restrictions disrupt supply chains and reduce demand for goods and services. At the same time, lower demand and prices of commodities are slowing the pace of investment in gas and coal, two key industries for Mozambique. As a result, the economy is expected to contract by 0.8 percent in 2020, down from a

[1] Demographic and Health Surveys (2018).
[2] HCI is new measure of countries' human capital capacity launched in 2018 by the World Bank. Available at: https://www.worldbank.org/en/publication/human-capital. The HCI is made up of three components: survival, schooling and health, and shows that the expected productivity of a child born today in Mozambique is only 36 percent of what it could be with complete basic education and full health.
[3] Education Sector Analysis (ESA), MINEDH-UNESCO (2019).

pre-COVID-19 forecast of 4.3 percent. Mozambique is also expected to experience large external and fiscal financing gaps in 2020 and 2021 in a context characterized by exposure to external shocks and limited fiscal space. Nonetheless, a growth recovery is expected to begin in 2021, with growth reaching 4.4 percent by 2022, owing to a rebound in global demand and additional stimulus to the business environment from Liquified Natural Gas (LNG) projects.

5. **A sizeable number of Mozambicans will fall back into poverty as a result of the pandemic.** Given the depth of the COVID-19 crisis, Mozambique's difficult poverty situation is expected to be further aggravated. The negative impact on income is expected to be felt relatively more in urban and peri-urban areas, where social distancing measures and business closures are having the most effect. Mozambique's urban poverty rate is estimated to increase from 29 percent to at least 31 percent in 2020, pushing an additional 250,000 to 300,000 urban people into poverty on account of employment and income losses, price increases, and a deterioration of public services.[4]

6. **The pandemic is also likely to exacerbate preexisting factors of fragility and widen inequalities and imbalances across the country.** The spatial distribution of poverty is skewed with poverty almost twice as high in rural as in urban centers and inequality growing between rural and urban areas. The northern and central regions continue to lag behind the southern regions, with many more people being poor in Niassa (67 percent), Nampula (65 percent), and Zambezia (62 percent) than in Maputo province (12 percent) and Maputo city (4 percent). The latter two areas have seen the largest decline in poverty rates in the past decade. The pandemic could widen these divides, heighten socioeconomic grievances, and sharpen the inequalities and sense of marginalization that have helped to underpin the escalating conflict in the northern province of Cabo Delgado.

7. **A rapidly escalating insurgency in the northern region is having deadly consequences for the population and increases the risk for social development in Mozambique.** As the country prepares actions to mitigate the expected impact of the pandemic on poverty and inequality, the northern region has experienced increasing violence, destroying human and physical capital, and leading to a mounting humanitarian and displacement crisis. What began as attacks on police and administrative units in the port town of Mocimba da Praia in Cabo Delgado in October 2017, has rapidly increased in range, intensity and sophistication. It is estimated that the conflict has led to over 3,800 fatalities as of end- December 2020, and more than 600,000 people displaced.[5] The number of people displaced by the crisis more than quadrupled from March to November 2020, with children accounting for an estimated 45 percent of the displaced. The rapid spread and escalation of the conflict has fueled concerns regarding risks of spillovers into neighboring Niassa and Nampula provinces, both of which face similar underlying structural challenges as Cabo Delgado. Social unrest and violence in the north not only challenge the large investments that can change Mozambique's development prospects, but also increase the deep regional inequality already existent in the country. Uneven provision of services and development outcomes which reflect these regional disparities is, at the same time, a major factor of fragility and undermines the social contract and state-society relations.

[4] World Bank estimations.
[5] International Organization for Migration (IOM)

B. Sectoral and Institutional Context

8. **The Government of Mozambique (GoM) recently introduced important changes to the education system.** The National Education System Law was revised in December 2018, abolishing fees for basic education[6] and increasing mandatory and free education from seven to nine years, creating strong incentives to expand lower secondary education. The duration of the education cycles was restructured, reducing primary from seven to six years, and increasing secondary schooling from five to six years. The law also recognized, for the first time, that preschool is a subsystem of education (although not a requirement to enter primary), creating a conducive environment for its expansion. The education system is now made up of the following six subsystems: preschool, general primary and secondary education, adult education, technical and professional education, teacher training, and higher education.

9. **Mozambique allocates a large share of its budget to education and receives solid external support, but this still results into a low spending per student.** Since 2008, education spending in Mozambique averaged 19 percent of total government expenditure and nearly 6 percent of its gross domestic product (GDP).[7] While this is higher than average in terms of international benchmarks, in a context of a rapidly expanding school population, these financial efforts translate into low spending per student (less than US$100 per student per year). In 2019 the state education budget reached US$930 million, 66 percent of which was allocated to basic education (primary and lower secondary), a share comparable to the SSA average.[8] Nearly 80 percent of the Government's budget is allocated to salaries. Most non-salary expenditures of the sector (nearly 90 percent) are financed by external funds.

10. **Around 90 percent of the external funding to the education sector is allocated through a pooled donor fund.** The Education Sector Support Fund (FASE) was established in 2002 to ensure that the Government and development partners' support for the implementation of the successive Education Strategic Plans (ESP 1999-2003; ESP 2006-2010/1; ESP 2012-16/19) was done in a coordinated manner. FASE has been the main aid instrument to the sector, channeling around US$1.6 billion.[9] FASE is currently financed by nine development partners, including the Global Partnership for Education (GPE) and the World Bank.[10] FASE is recognized by the Government as the most effective funding mechanism to support the sector's priorities, since it reduces the transaction cost of coordinating with numerous agencies supporting the education sector and it aligns support with Government's sector priorities. Based on the Government's ESP, FASE has been financing basic education (with a priority on primary education) including funds for textbooks, schools' grant program, teacher training, supervision, and school construction. All FASE expenditures are agreed upon on an annual basis as part of the annual activity plan, which operationalizes the ESP. The Local Education Group (LEG), comprising civil society and

[6] According to the National Education Law, basic education comprises six grades of primary education plus three grades of lower secondary education.

[7] World Bank (2016), *Mozambique Education Public Expenditure Review* (Washington, DC: World Bank).

[8] World Bank (2016), *Mozambique Education Public Expenditure Review* (Washington, DC: World Bank).

[9] FASE is guided by a Memorandum of Understanding (MOU) signed by Government and development partners as they join the pool fund. The MOU lifetime is linked to the strategic plan period. Since the monitoring and evaluation of the ESP is done by a broader group of partners and civil society, the FASE MOU also includes the Terms of Reference (TOR) for the overall dialogue between the Ministry of Education and Human Development (MINEDH) and all education partners (FASE and beyond).

[10] The other FASE donors are Germany, Finland, Canada, Ireland, UNICEF, Portugal and France.

development partners, actively participates in the dialogue with the Government, contributing to the implementation of the country's education priorities.[11]

11. **Over the past two decades, education in Mozambique has been supported by the World Bank and GPE.** The Education Sector Support Project (ESSP – P125127), which closed on December 31, 2019, was implemented over seven years (including three years of additional financing). The project included funding from International Development Association (IDA) and a grant from GPE for a total of US$368 million (US$220 million from IDA and US$148 million from GPE).

Access and retention

12. **Education access continues to be a challenge, especially at the preschool and upper grades of basic education where large enrollment disparities persist.** There are currently 8.2 million students in general education in Mozambique (6.9 million in primary and 1.3 million in secondary).[12] Enrollment in preschool is less than 5 percent of the 3 to 5-year-old population and is concentrated in urban areas and wealthier families. While gross enrollment rates (GER) in lower primary (grades 1 to 3) surpassed 100 percent in 2018, in upper primary (grades 4 to 7), the GER is only 67 percent.[13] Enrollment in secondary schools has stagnated at 37 percent over the last seven years. The national averages conceal large gender disparities: the GER for girls in primary is 10 percentage points lower than for boys, and at the secondary level, it is 2 percentage points lower than for boys. [14] Regional disparities are also prevalent: the northern and center provinces have upper primary GERs around 50 percent (17 percentage points below the national average).

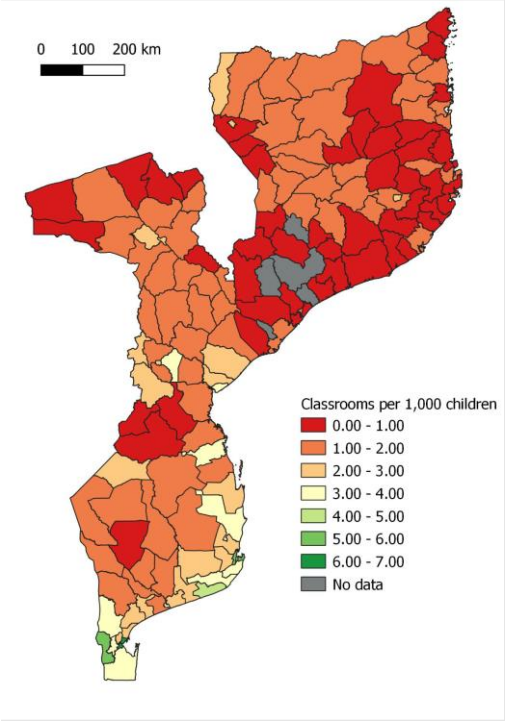
13. **Dropout rates are high, especially among girls.** Around 25 percent of students (girls and boys) drop out before grade 3 and less than 50 percent complete primary; this is well below the average in SSA.[15] In 2015, 15 percent of primary school age children 6 to 12 years old (600,000 children)[16] were out of school. Moreover, in the last household survey conducted in 2014/15, 3 out of 4 children (67 percent) 12 to 17 years old reported not completing primary education, which indicates that most out-of-school children once attended school and dropped out before graduation. In early primary, dropout rates for boys and girls are equally high. However, in upper primary, the gender gap increases, as more girls abandon school prematurely. In 2018, 42 percent of girls completed primary compared to 47 percent of boys.[17]

14. **Low school enrollment and retention are associated with both demand and supply factors.** Financial constraints, distance to school, and poor school infrastructure and materials are the main factors associated with

[11] The World Bank joined FASE in 2008 as the supervising entity of GPE (at the time called Education for All - Fast Track Initiative) with a US$79 million financing grant carried out by the Education Sector Support Project (ESSP – P112052). Subsequently, the World Bank continued using the FASE mechanism to implement the Education Sector Support Project (ESSP – P125127), which included both IDA and GPE financing.
[12] MINEDH (2020), Education Sector Performance Report.
[13] MINEDH (2019), EMIS
[14] MINEDH (2019), EMIS; MINEDH-UNESCO (2019), Education Sector Analysis. The net enrollment in upper primary and lower secondary are 24 percent and 22 percent, respectively, with a slight advantage for girls. This is consistent with the fact that boys are more likely to lag behind during the schooling cycle and girls have a higher dropout rate.
[15] The average primary education completion rate in SSA counties is 59 percent (Mozambique Education Sector Analysis 2019).
[16] UNICEF, KOICA and Pedagogic University (2019), *Longitudinal Evaluation of School Dropout in Mozambique: Drivers of School Absenteeism and Educational Attainment.* (UNICEF, KOICA and Pedagogic University).
[17] MINEDH (2019), Education Sector Annual Assessment Report.

high dropouts.[18] While the recent reform which eliminated school fees for lower secondary will alleviate school-related costs, distance to school remains a key obstacle throughout the country, especially for girls. On average, 65 percent of the population ages 10 to 19 years old lives 5 km or more from the nearest lower secondary school, and 52 percent lives more than 10 km away.[19] There are currently only 0.1 secondary schools and 1.2 classrooms per 1,000 children ages 10 to 19 in Mozambique.[20] Furthermore, there are large geographical differences in terms of school availability, with the northern and center regions showing the largest deficits (figure 1). Nearly 40 percent of schools do not have proper toilet facilities and at least 30 percent do not have access to water.[21] Lack of toilet facilities and water is usually reported as one of the main obstacles for girls to attend schools. The last national learning assessment in 2016, for example, indicated that absenteeism is higher among girls than boys, an issue also associated with poor school infrastructure.[22] Making schools more accessible and improving infrastructure conditions is critical to increasing girls' access and retention in the upper grades of basic education.

Figure 1 Availability of lower secondary classrooms per 1,000 children ages 10 to 14 years old



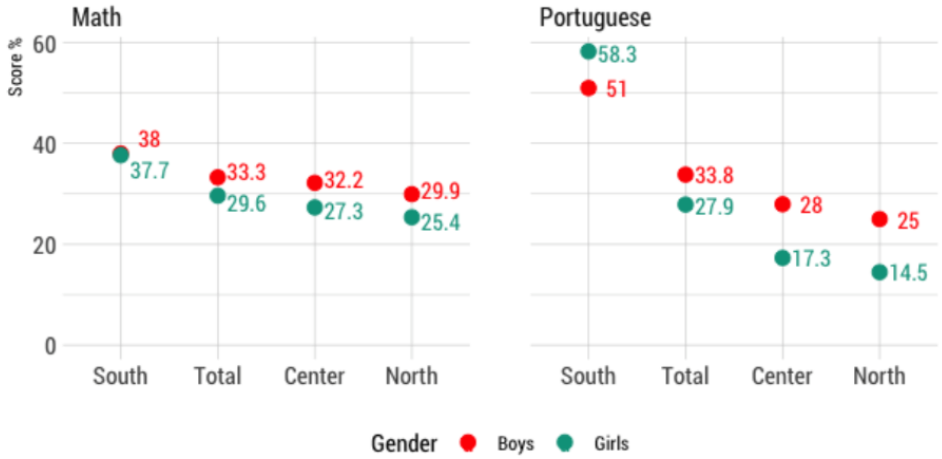
Source: Expansion of Secondary Education in Mozambique, World Bank (2020).

[18] Harnessing Demographic Dividend PAD (P166100); Van der Berg, Da Maia and Burger (2019), "Educational inequality in Mozambique", WIDER Working Paper 2017/212, *Longitudinal Evaluation of School Dropout in Mozambique: Drivers of School Absenteeism and Educational Attainment* (UNICEF, KOICA and Pedagogic University).
[19] World Bank (2020), Expansion of Secondary Education in Mozambique.
[20] There are currently 12,737 primary schools in the first cycle (grades 1 to 3), 7,921 schools in the second cycle in Mozambique (grades 4 to 7), representing 1.6 primary schools per 1000 children ages 1 to 9 years old. There are 556 lower secondary and 293 upper secondary schools.
[21] UNICEF, KOICA and Pedagogic University (2019), *Longitudinal Evaluation of School Dropout in Mozambique: Drivers of School Absenteeism and Educational Attainment.* (UNICEF, KOICA and Pedagogic University).
[22] UNICEF, KOICA and Pedagogic University (2019), *Longitudinal Evaluation of School Dropout in Mozambique: Drivers of School Absenteeism and Educational Attainment.* (UNICEF, KOICA and Pedagogic University).

Learning outcomes

15. **The level of student learning is critically low.** According to the most recent national assessment, in 2016 only 5 percent of grade 3 students in Mozambique were able to read at the expected level. The Service Delivery Indicators 2018 (SDI 2018) survey also showed very low levels of learning (although there were improvements from 2014). In addition, the SDI results indicated an underperformance by girls.[23] The gender gap was particularly large in Portuguese (reading and writing) (figure 2). Differences between test scores for girls and boys were large in the northern and center regions of the country, where overall learning levels are significantly lower than the national average.[24]

Figure 2 Students test scores by gender in Mozambique (SDI 2018)



Source: Mozambique SDI (2018).

16. **While a growing number of students speak Portuguese, learning is lower among students who do not speak Portuguese at home.** Many children start school without any exposure to Portuguese. [25] Yet, the number of students speaking Portuguese is increasing. In 2016, 58 percent of the teachers reported that more than half of their class in grade 1 had difficulty in speaking Portuguese, falling from the same indicator reported in 2013 (70 percent) but still a significant obstacle for learning in the early grades.[26] The Government recently launched the Strategy for the Expansion of Bilingual Education 2020-2029 to expand the bilingual modality (Portuguese and local languages) as an alternative to monolingual education (only Portuguese), producing learning and teaching materials in 19 local languages.[27] An important challenge for this strategy, however, is Mozambique's linguistic diversity, since less than 6 of the 21 national languages are spoken by more than 5 percent of the population. Expanding but still in early stages, the bilingual education reaches 2,924 primary schools and 9,547 students.[28][29]

[23] The gender gap (with girls' underperformance) is also observed in the national learning assessment (NLA) of 2013 and SACMEQ 2013, but not in the NLA in 2016.
[24] In the Southern region, girls got higher test scores than boys in Portuguese and similar levels in mathematics (SDI 2018).
[25] Service Delivery Indicators Survey (2018) and NLA (2016).
[26] NLA (2013) and NLA (2016).
[27] Strategy for the Expansion of Bilingual Education 2020-2029, MINEDH (2020).
[28] MINEDH statistics (2020).
[29] Bilingual education receives support from USAID through the program *Vamos Ler!*, implemented in two provinces in the north of the country (Nampula and Zambezia)

Evidence shows that language of instruction is a key consideration for learning. Yet, for bilingual education to be effective several conditions need to be ensured, especially in a linguistically diverse context such as Mozambique. Those conditions include not only the availability of learning material, but also a thorough adjustment of teacher training, both preservice and in-service, a careful linguistic diagnosis and mapping, and the support from parents and communities.

17. **There are a complex set of contributing factors affecting learning outcomes.** Poverty and weak socioeconomic conditions of families tend to lower levels of learning; this is especially apparent in the northern and center regions. At the school level, high rates of student absenteeism and low teacher knowledge are the main predictors of learning. Schools that showed the largest improvement of learning outcomes between 2014 and 2018 also presented decreased level of student absenteeism combined with higher levels of teacher content knowledge.[30] Many teachers in the system do not have basic pedagogic competencies and subject knowledge needed to teach effectively. According to the SDI 2018, less than 3 percent of grade 4 teachers mastered 80 percent of the mathematics or Portuguese grade content. Teachers also scored low in pedagogic practices, such as preparing a lesson plan or using student test scores to assess student learning patterns. In addition to weak teaching skills, teachers in Mozambique also exhibit high rates of absenteeism. The SDI 2018 showed that teachers absenteeism fell considerably since 2014 but remains high at nearly 30 percent. This means that at least one third of instruction time is lost because teachers are not in the classroom. Another factor affecting learning outcomes is large class sizes with a pupil-to-teacher ratio in early primary of 65 on average and more than 70 in three provinces in the north. [31]

18. **Moreover, most children come to school unprepared.** Over the last decade, the GoM has made progress in early childhood development (ECD), with the development of a multisectoral strategic plan, the establishment of a preschool department within the Ministry of Education and Human Development (*Ministério da Educação e Desenvolvimento Humano*, MINEDH), and the expansion of the provision of ECD services, particularly to rural communities. However, less than 5 percent of age specific population has access to ECD, hindering the opportunity for young children to improve key school readiness skills. [32]

Girls' education and gender-based violence

19. **Child marriages and teenage pregnancies are major factors affecting girls' school attendance.** Girls' educational attainment, child marriage and early childbearing are closely related. Mozambique has the 10th highest rate of early marriage in the world, with almost half of adolescent girls ages 15–19 reporting that they are married. As of 2015, about 46 percent of this population group were already mothers or pregnant, and this percentage has increased over the last twenty years.[33] Mozambique's adolescent fertility rate is the fourth highest in the world. Traditional gender norms, in addition to poverty and adolescent pregnancy, continue to drive child

[30] Service Delivery Indicators Survey (2018).
[31] The number of teachers in Mozambique more than doubled since 2004, from nearly 60,000 to 139,500 in 2019. This increase helped to maintain (and even to reduce) for some time the average pupil-teacher ratio. Yet, tight fiscal context over the last two years together with a fast expansion of the education system pushed by demographic trends resulted in increases in the pupil-to-teacher ratios. The weak fiscal prospects for the next few years will continue this pressure, urging the need for measures on management of the teacher workforce, including improving teachers' allocation. Studies show that there is a big variance of pupils-to-teacher ratios within districts, with schools with very low and very high PTR in the same district (Figuereido 2018). According to the current legislation, districts decide the allocation of teachers to schools.
[32] MINEDH (2020), Education Sector Strategic Plan 2020-2029.
[33] Demographic Health Survey (DHS 2015).

marriage, particularly in rural areas, where sexual initiation rites often encourage the subordination of a girl to her husband.[34]

20. **Girls' academic performance improves with an increase in female teachers.** The SDI 2018 indicated that students of female teachers performed better than students of male teachers, and the difference was larger for girls. The gap between boys and girls in students' test scores almost disappeared with female teachers, with both girls and boys performing better.[35] Over the last years, the Government has made efforts to increase the number of female teachers. Women are 51 percent of teachers in early primary, but the share decreases sharply to 29 percent in upper primary and 23 percent in secondary education.

21. **The risk of gender-based violence (GBV) among adolescent girls in Mozambique is disturbingly high.** About one-third of 15-year-old adolescents girls declare that they are survivors of physical violence, and 46 percent say they are survivors of domestic sexual or emotional violence from their partners.[36] Sexual abuse and harassment against girls are real risks in the education system. Across Mozambique, seven in ten girls report knowing of cases of sexual harassment and abuse in their school. The low percentage of female teachers in upper primary and secondary education aggravates an imbalanced environment that may contribute to these high rates of girls' abuse in schools.

22. **Empowering girls through education not only improves equity but also has a long-term impact for the country's development.** Achieving universal secondary education for girls is critical to end child marriage and significantly reducing early childbearing and total fertility. Each additional year of education increases a woman's earnings.[37] Educating girls also impacts the education of their children, generating a virtuous cycle with long-lasting effects. Effective interventions such as making schools more accessible and safer, providing flexible and alternative schooling, increasing awareness on GBV, and reducing financial and social costs associated with schooling can have a large development impact.[38]

Education Sector Plan and Impact of COVID-19

23. **While the full impact of COVID-19 on education in Mozambique is yet to be known, the pandemic is likely to result in big losses in enrollment and learning.** Schools in Mozambique have been closed since March 23, 2020. Nearly 15,000 schools, 178,000 teachers, and over 8.5 million students at all levels of education were affected by school closures. With the support of development partners, the Government implemented remote learning via the internet, TV, radio, and the distribution of printouts. However, given the weak starting conditions and low penetration of technology in Mozambique, the efficacy of these methods is doubtful. Monitoring missions have been conducted to assess the readiness of schools to reopen, especially in terms of Water, Sanitation and Hygiene (WASH) conditions, which concluded that more than 60 percent of schools do not meet the minimum WASH requirements. In August 2020, MINEDH initiated a partial reopening plan, gradually reestablishing in-person classes for grades 7, 10 and 12, in which high-stake examinations are administered. All other grades remained in remote learning for the rest of the 2020 school year. The academic calendar for the 2020 school year

[34] Pawlak (2020), *SEA/SH&VAC Portfolio Assessment Report.*
[35] This result is consistent with similar evidence for other countries. See for example Evans and Le Nestour, *Center for Global Development* (2019), https://www.cgdev.org/blog/are-female-teachers-better-girls-education.
[36] Ministry of Gender, Child and Social Action (2016); *Perfil de Género de Moçambique* (Gender Profile in Mozambique).
[37] Wodon and others (2018).
[38] Wodon (2019), "Empowering girls through education in Sub-Saharan Africa: Benefits, Interventions, Strategies and Case Studies".

was extended to February 2021, and the 2021 school year was shifted to start on March 22, 2021. Predictions show that COVID-19 could result in a loss of 0.7 years of schooling adjusted for learning, bringing down the effective years of basic education that students achieve during their lifetime to 3.7 years.[39] The United Nations Children's Fund (UNICEF) estimates that in the aftermath of COVID-19, nearly 20 percent of the Mozambican children will never return to formal education. Exclusion and inequality will likely be exacerbated as already marginalized and vulnerable groups, like girls, the extremely poor, and persons with disabilities, are likely to be more adversely affected by the school closures.[40] Even with schools reopening in the next school year as currently planned by the Government, Mozambique will need support to attract learners (especially adolescent girls) back to school, ensure a safe and sanitary environment in all schools, come up with remediating measures to catch up with a loss of learning, and continue strengthening distance learning to offer a more flexible modality for students not returning to schools that can be scalable and implemented quickly in the cases of emergency.

24. **The Government, in coordination with the LEG, prepared a new ESP that establishes the sector priorities for the next decade.** The new ESP 2020–29 was approved by the Council of Ministers in April 2020. It is based on recent education reforms and consolidates important measures which MINEDH initiated in areas such as teacher training, bilingual education, and textbooks development and distribution. The new ESP builds on previous strategies, such as the 2017 in-service teacher training strategy, which sought to implement best international practices by moving professional development from purely theoretical courses to practical training through classroom observation and feedback at schools. The new ESP also builds on previous commendable reforms that sought to improve textbook development and distribution, adjusting textbook procurement procedures to ensure lower unit costs and gradually developing internal capacity to produce its own textbooks. In 2019, MINEDH launched a new model of preservice teacher training, which increased the minimum education achievement required for teacher candidates and increased the duration of pedagogical training from one to three years. The new ESP builds on these strategies while also working on important teacher policy reforms, which will improve the mechanisms to recruit, allocate and promote teachers and principals.

C. Relevance to Higher Level Objectives

25. **The proposed project is aligned with the World Bank Group's Country Partnership Framework (CPF) for Mozambique for FY2017-21 (report number 104733-MZ) as revised in the recently concluded Performance and Learning Review (report number 144024-MZ) that includes adjustments to the CPF for COVID-19.** The CPF draws on the 2016 Systematic Country Diagnostic (SCD) which identified three main focus areas in support of the World Bank twin goals: (a) promoting diversified growth and enhanced productivity; (b) investing in human capital; and (c) enhancing sustainability and resilience. The Performance and Learning Review (PLR) added an additional objective, Supporting Recovery and Rehabilitation, under the third Focus Area reflecting stepped-up IDA financing to address the impact of recent cyclones and the pandemic.[41] This project will contribute to the CPF by investing in human capital through the provision of quality education services. It is also aligned with the objective added in the PLR, as it will support distance learning that is likely to be increasingly important if the depth and duration of the crisis are extended.

26. **Mozambique is in the process of preparing an eligibility note to access the Prevention and Resilience Allocation (PRA) under IDA19, which is directed to provide support to prevention in countries at risk of**

[39] Wagner and Warren (2020).
[40] Azevedo and others (2020).
[41] Annex 1 describes further adjustments to the country work program to support the Government in the COVID-19 response plan.

escalation of violent conflict. The World Bank is in the process of recalibrating its portfolio to support the Government of Mozambique's prevention efforts, including through the development of a spatially differentiated approach to conflict prevention. The proposed project will directly contribute to this effort by focusing on expanding access and improving quality of education services in the marginalized central and northern regions, where the development indicators lag the rest of the country, with a specific focus on girls. Key interventions, such as increasing access to lower secondary schools and expanding distance learning, will prioritize underserved areas in the north and center. The project also integrates guidance and recommendations from the World Bank Group Strategy for Fragility, Conflict, and Violence 2020-2025.

27. **The proposed project is in line with the World Bank Group Crisis Response Approach to COVID-19 (June 2020).** The project contributes to pillar 2 (protecting poor and vulnerable people) and pillar 4 (strengthening policies, institutions and investments for rebuilding better) of the World Bank Group crisis response approach to COVID-19. The proposed activities will help to mitigate the likely impact of the pandemic of increasing dropouts and reducing learning by supporting vulnerable groups, girls and underserved communities. The project will also contribute to building back better by improving infrastructure and teachers' skills and ensuring access to learning materials for students.[42]

28. **The proposed project is aligned with corporate initiatives and a multisectoral approach.** By focusing on reading skills in the first cycle of primary education, the proposed project is aligned with the global initiative launched by the World Bank on reducing learning poverty, that aims at reducing by half the percentage of children that cannot read by age 10. Moreover, in line with the Human Capital Project, the project will use a multisectoral approach, bringing health, nutrition, and social protection interventions to improve education service delivery and outcomes. The activities to boost girls' education in upper grades will be designed to complement the program implemented through the Mozambique Primary Health Care Strengthening Program (P163541), which provides sexual and reproductive health (SRH) education to girls in secondary schools. This component will also be coordinated with the project Harnessing the Demographic Dividend (HDD) (P166100). HDD seeks to support girls who dropped out of school or are at risk of dropping out. Localities in which the HDD is implemented will be prioritized for the expansion of distance learning to maximize impact.

29. **The proposed project focuses on girls and is aligned with the World Bank's corporate priorities for gender.** The project interventions contribute to the first and fourth objectives of the World Bank Gender Strategy 2016–2023 (Gender Equality, Poverty Reduction and Inclusive Growth), which are improving human endowments and enhancing women's voice and agency, and engaging men and boys). The project includes actions to tackle barriers affecting girls' access and retention in schools, aiming to reduce adolescent pregnancies and early marriages, and combating GBV at schools. Progress made toward gender outcomes will be monitored through specific indicators. The project will introduce innovative technology to expand girls' access to education through distance learning as well as to improve effectiveness of teacher training.

30. **The project will support the implementation of the Government's ESP 2020–29.** The project development objective is directly aligned with ESP's three main strategic objectives to ensure: (a) equitable and inclusive access, participation and retention; (b) quality of learning; and (c) a transparent, participative, efficient and effective management of the sector. Emphasis will be given to the first and second strategic objectives, as the project's main pillars are learning readiness and girls' retention in upper grades. The ESP addresses gender issues across all education subsectors. Expanding the supply of preschool services is among the priorities included in the

[42] Annex 1 includes further detail of the World Bank support to the COVID-19 response in Mozambique.

ESP to strengthen school readiness for children entering primary schooling. The ESP also emphasizes learning in the early grades as a necessary foundation to progress successfully over the education cycle. Lastly, expanding lower secondary education, a key pillar of the new National Education Law, is also a priority in ESP.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

Increase learning readiness and girls' retention in upper grades of basic education prioritizing underserved areas of Mozambique[43].

PDO Level Indicators

Improving learning readiness in primary education

- Retention up to grade 3 among children benefiting from ECD interventions and literacy package in communities with low educational attainment (percentage disaggregated by gender)
- Literacy proficiency at grade 3 in schools implementing the literacy package in communities with low educational attainment (percentage disaggregated by gender)

Increase girls' retention in upper grades

- Girls' retention in upper grades of basic education in upgraded schools (percentage)

B. Project Components

31. **This project aims to have a substantial impact on learning outcomes and girls' school retention.** Thus, the project proposes to concentrate on two major bottlenecks in the education cycle in Mozambique, which are: (a) learning during the first three years of primary schooling; and (b) girls' retention and transition in the upper grades of basic education. Activities will be based on effective experiences in Mozambique and other countries, and they will use, to the extent possible, strategies and systems already in place. The design of the activities supports the development of local capacity in the education system, not only at the central level but more importantly, at the provincial, district, and school levels, as well as in school clusters.

32. **Interventions will be nationwide, with special attention given to conflict and fragility contexts.** While the project will have nationwide approach, some activities will require prioritization in areas showing low educational outcomes, mostly located in the northern and center regions of the country. The focus on the northern and center regions for some interventions of this project will contribute to communities living in a fragile context. The project will complement other operations to support Human Development (HD) including the upcoming multisector HD project for the province of Cabo Delgado, which is expected to be approved in FY2022.

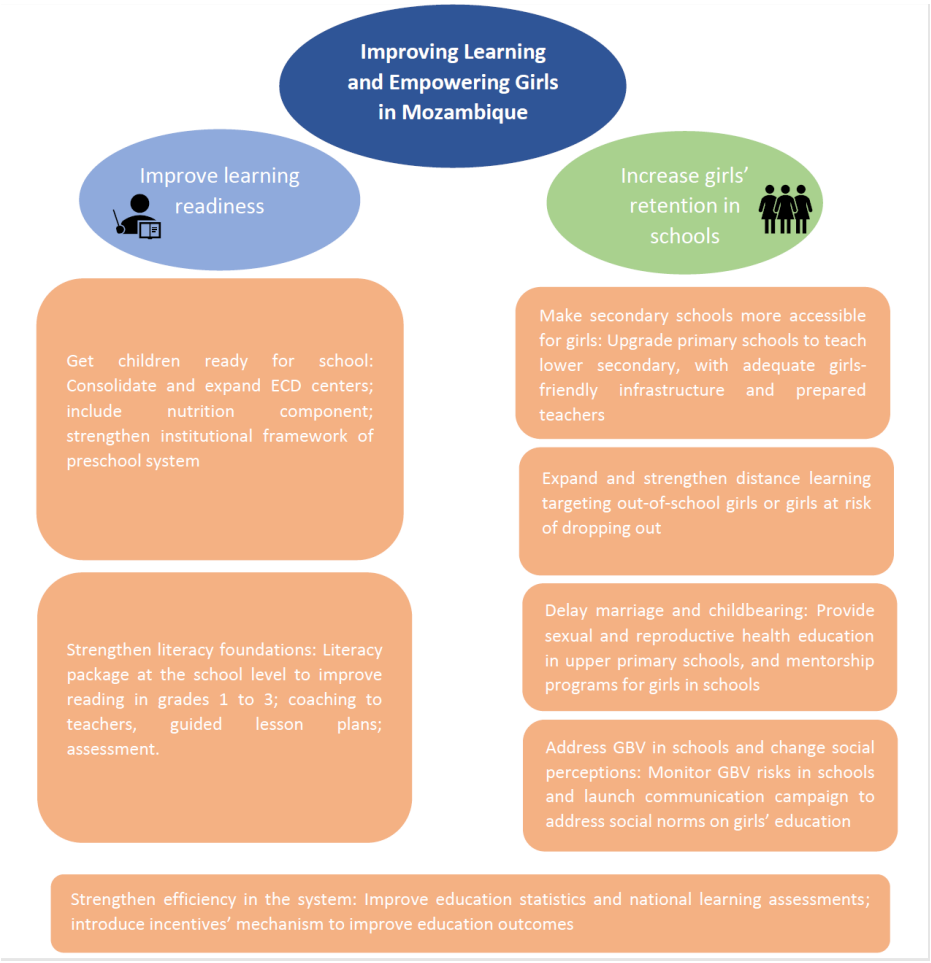
[43] Underserved areas refer to locations that present low education outcomes, including students' learning, and girls' enrollment rates and retention. While the project will have a nationwide approach, some interventions (indicated in the description of the activities) will involve prioritization of underserved areas. Upper grades of basic education include grades 5 to 9.

As the conflict in the north escalates increasing fragility, interventions in this area will be implemented seeking collaboration with stakeholders with vast experience in working in fragile contexts and in the northern region of Mozambique, in particular. These include United Nations (UN) agencies and nongovernmental organizations (NGOs), which would help identify beneficiaries and implement the activities of the project adapting to the context and the needs of these communities.

33. **The project is an Investment Project Financing (IPF) operation comprising five components.** Components 1, 2 and 3 will use a result-based approach, with part of the financing linked to Performance-Based Conditions (PBCs). Component 4 will be a traditional IPF and will support the implementation of the project. Component 5 is a contingency emergency allocation with zero dollars and aims at mobilizing unallocated funds from the project to rapidly respond to emergency situations in the country. The project will include funding both from IDA and GPE, and it will be channeled through FASE.[44] The first component of the project will aim at improving learning readiness, while Component 2 will focus on retaining girls in the last years of primary education and support their transition to lower secondary. Component 3 will aim to improve system efficiency and strengthening governance and management. Finally, Component 4 will support project management, monitoring and evaluation (M&E) (Figure 3).

[44] The GPE part will include the maximum country allocation for Mozambique (US$125 million) and up to additional US$15 million for the multiplier grant, which requires mobilizing other cooperating partners' new funds to the education sector (US$1 million GPE grant for each US$3 million of new funds with a maximum of US$15 million). The World Bank, French Development Agency, the World Food Program and the Canadian High Commission agreed to increase their funding to education in Mozambique to leverage this GPE grant. Of the total GPE allocation of US$140 million, it was agreed that US$1 million will finance the World Bank's supervision and support to implementation over the execution period of the project.

Figure 3 Project's main objectives and activities



34. **Both the project design and implementation plan have been adjusted to account for COVID-19's impact on the education sector.** For some of the interventions, such as distance learning, the COVID-19 context will result in many experiences developed in Mozambique and internationally that provide valuable inputs and lessons learned. The challenges that remote learning generated during school closures due to the pandemic, including low connectivity and access to digital devices, will also be addressed. Other activities, such as the rehabilitation and improvement of schools' WASH facilities, will benefit from the work MINEDH has recently developed as part of the COVID-19 response, such as assessing the conditions of access to water and sanitary conditions of all schools and preparing a plan for improvements. Finally, some activities of this project, which require face-to-face interactions between teachers and students, have been adjusted. For example, the piloting of the materials and training for the literacy package will be initiated when conditions allow.

Component 1: Improving learning in primary education (total of US$90 million: US$50 million equivalent from IDA financing and US$40 million from GPE financing)

Subcomponent 1.1. Strengthening preschool services (US$25 million from GPE)

35. **Through this subcomponent, the project will support the consolidation of the preschool subsystem, the reinforcement of the regulatory capacity of the Government, and the expansion of preschool services, allowing more children to access quality early learning.** It will build upon the achievements and lessons learned from the previous World Bank and GPE project (ESSP – P125127), which contributed to setting up the institutional structure for the ECD system in Mozambique and expanded the provision of ECD services to rural communities in five provinces through the Program for the Integral Development of Children of Preschool Age (DICIPE).

36. **The preparation and implementation of the activities in this sub-component will be led by the Ministry of Gender, Children and Social Action (MGCAS) in close collaboration with MINEDH**, since the national arrangements based on the new education law regulatory documents designate MGCAS as responsible to define norms for opening, functioning and closing preschool facilities in Mozambique. In addition to its role in curriculum development and teacher training, MINEDH's responsibilities will include the administrative management of the project as described in the financial management section. This subcomponent will also involve coordination with the Ministry of Health in the implementation of the nutrition interventions.

37. **Key activities for this subcomponent include:**

a. **Enabling the institutional framework and workforce.** Activities will focus on strengthening the governance of the preschool subsystem and fostering coordination between relevant government entities at all levels. A national preschool curricula framework for teachers and children will be prepared and gradually implemented, ensuring that they are developmentally appropriate, play-based, and gender-sensitive. This will include the establishment of national Early Learning and Development Standards (ELDS) and Teacher Training Program for this subsector, with the involvement of MINEDH's National Institute of Development of Education (INDE), National Directorate for Teacher Training (DNFP), and Education Quality Management Department (DGGQ), and Department of Human Resources at the Ministry of Gender, Children, and Social Action (MGCAS). The teacher training curriculum will be gradually harmonized across higher education institutions offering preschool training programs and extending to Teacher Training Institutes (IFPs).

   This subcomponent will also include the definition of the national preschool strategy and regulatory framework for preschool service delivery and management (for both public and private preschools) aligned with the Government's planning instruments (*Plano Quinquenal do Governo* PQG 2024) and with the ESP 2020–29. The framework will establish mechanisms to facilitate the collaboration with other sectors, such as health and social protection, and integrate complementary aspects of early learning, such as nutrition, parental and community engagement. It will also include the design and implementation of a national preschool subsystem personnel framework with profiles, qualification requirements, and a pay grade scheme for the public-sector workforce (including community-based professionals) commensurate with qualifications and tenure. The institutional capacity at central, provincial and district levels will also be reinforced through the recruitment of specialized ECD professionals and capacity development. One key factor for the sustainability of the community-based model is the payment scheme and training for facilitators (teachers) of ECD centers. A high-level discussion within the Government needs to take place, involving MINEDH, MGCAS and the Ministry of Finance, to discuss alternatives to allow payments to the ECD facilitators to be eventually included in the Government's annual budget.

b. **Consolidating and harmonizing existing service provision.** Under the ESSP, the Government (with the

support of third-party providers) constructed and established 350 *escolinhas* (ECD community-based facilities servicing children ages 3 to 5 years) throughout selected districts in 5 provinces. During 2017 and 2018, in the district of Macomia (Cabo Delgado), 17 *escolinhas* were forced to close due to terrorist attacks, which led to social instability and the displacement of the population. In addition, MGCAS currently runs 879 *escolinhas,* also following a community-based approach. This project will ensure ongoing maintenance of the structures as well as continuity of service provision in the existing *escolinhas*, aiming at harmonizing quality and guaranteeing a minimum package (including infrastructure conditions, staff and materials).[45] Attention will be given to improving the quality of preschool education, with specific focus on the following: (1) ensuring the provision of sufficient learning and teaching materials; (2) providing in-service teacher training (as part of a new teacher training program to be developed); (3) implementing and using the new ECD curriculum and ELDS; (4) developing and using a harmonized monitoring and evaluation (M&E) plan with specific focus on training local actors in the use of the M&E tools; and (5) ensuring the continuation of the Community Coordination Committees (CCC) at all communities with *escolinhas*. In the second half of the project implementation, a follow-up of the impact and process evaluation initiated with DICIPE will be implemented in the same *escolinhas* to track improvements and changes in quality to allow for a course-correction, if needed. An additional subsample of non-DICIPE *escolinhas* will be added to assess harmonization and quality.

c. **Expanding service provision.** One hundred new additional *escolinhas* will be constructed for the new community-based facilities based in rural areas with low educational attainment. Construction and operationalization will be based on the DICIPE model, adjusted as needed, based on lessons learned of the first stage, but including key elements such as links with the local primary school and the community management model. To ensure the continuity of early stimulation activities in rural areas, the expansion of the *escolinhas* will be closely articulated with the Integrated Nutrition Package (PIN – *Programa Integrado de Nutrição*) implemented under the Mozambique Primary Health Care Strengthening Program (P163541). The PIN is providing responsive feeding and early stimulation counseling for caregivers with children from 0–24 months old in eight provinces. The location of the 100 rural *escolinhas* will overlap with the PIN implementation areas. The community health workers from the nutrition program will be involved in the *escolinhas*' CCCs in order to ensure the continuity of key nutrition components being delivered though the PIN, namely deworming and growth monitoring.

d. **Parental engagement.** Under this project, in all existing and new *escolinhas* (333 from the original ESSP project, 879 from MGCAS administration, and the additional 100 built by the proposed project) a parenting engagement model will be developed and implemented. This intervention will also coordinate with the above-mentioned nutrition program, which is already working to engage caregivers on nutrition and early stimulation practices. This project will develop specific counseling materials on ECD (radio content and booklets) empowering parents and caregivers with appropriate tools to support early education.

Subcomponent 1.2. Strengthening reading skills in primary education (total of US$65 million: US$50 million from IDA financing and US$15 million from GPE financing, with US$10 million linked to PBC1)

[45] While the 17 *escolinhas* that were closed in the conflict-affected areas in Cabo Delgado are not included in activities c and d, the situation will be monitored and, if conditions allow during implementation, these *escolinhas* will be reopened and supported by the project.

38. **Under this subcomponent, the project will support the strengthening of learning readiness by improving reading skills in Portuguese in grades 1 to 3 through a pilot and national program.** The pilot, *Aprender +*, will develop and test a package of integrated interventions at the school level, including scripted pedagogy, teacher training and coaching, frequent learning assessment and monitoring of progress, and the use of ICT to support implementation. The pilot will be done in parallel to the rollout of this intervention at scale, providing the conditions for what works and what does not work. The pilot will be financed by a contribution from Finland, implemented by the World Bank (in close collaboration and active involvement of MINEDH) and will include a rigorous evaluation to assess its impact and cost-effectiveness, and to learn how to best scale it up. The pilot will be implemented in the provinces of Niassa and Manica, starting with Niassa in the school year 2021, followed by Manica during the school year 2022.The implementation in Manica will include an impact evaluation to assess the effectiveness of the interventions. The pilot will create high-quality teacher's guides that are aligned to the curriculum. Teachers will then be trained on how to implement literacy lessons using these materials. School cluster (ZIP) coordinators will monitor and support teachers, by checking whether these resources are being used by teachers and students, assessing students' literacy outcomes, and providing teachers with coaching and technical support if they are not following the teacher's guides with fidelity. The proposed project will gradually scale up the pilot's activities at a national level.

39. **The activities will, to the extent possible, use synergies with ongoing experiences in Mozambique** (such as the program *Vamos Ler!* with the support of United States Agency for International Development, USAID). They will also benefit from the recently launched initiative at the World Bank, *Ending Learning Poverty*, which will bring valuable international expertise.

40. **Activities will include:**

a. **Structured pedagogy, student learning materials and assessment.** This activity involves the development of detailed daily lesson plans for teachers (reading grades 1, 2 and 3). These lesson plans will be easy to use and highlight instructional practices that have been shown to improve early-grade reading. Attention will be given to gender aspects to ensure that girls and boys receive equal attention from teachers. Best international practices show that structured (guided or scripted) pedagogy provides a helpful approach to support instruction in a context of teachers' low skills and knowledge content. The project will provide textbooks and complementary materials for students (grades 1 to 3, Portuguese) to support this subcomponent's objective. A student assessment mechanism will be implemented to monitor students' progress in reading.

b. **Training coaches and teachers.** Structured coaching methods will be implemented to train teachers. Coaches will include ZIP coordinators and selected pedagogical directors who will receive material and extensive training on how to observe a classroom and conduct feedback sessions with the teachers. This will include simplification of the classroom observation tool included in the national in-service teacher training strategy. Observations and feedback (from coaches to teachers) will be conducted frequently, to ensure constant communication between teachers and the coaches. This activity will revitalize the current role of the ZIPs in providing pedagogic support to schools in their ZIP. To be effective, these activities will consider measures to reduce the teaching workload of ZIP directors. Finally, there will be support for ZIP coordinators to facilitate transport to schools (such as stipends, bicycles or motorcycles). Coaches will be provided with tablets or smart phones that work offline and are preloaded with videos and other content to support teachers. Technology will also be used to create virtual groups within each ZIP to share

resources and updates among teachers, and answer questions. A digital platform will be developed to monitor implementation of support to schools. The platform will help capture the number of visits to each school, classroom observation, and feedback to teachers, which will also be used as inputs for coaches' support and accountability.

41. **This subcomponent focuses on learning Portuguese.** The main goal of this subcomponent is to consolidate a group of interventions at the school level focusing on Portuguese language, while the conditions to implement bilingual education at the national level are being created. In other words, for students learning to read in Portuguese language, the project will ensure that: (a) teachers are comfortable using the guided lesson plans; (b) coaches are well trained and have the means to effectively visit schools frequently, observe classrooms, provide feedback and training to teachers, and use technology as needed to make training more effective; (c) learning materials are developed, delivered to schools on time, and used by all children in the classroom; and (d) learning assessments are used as part of the teaching process. At a future stage, when these conditions are achieved, the model would be expanded to cover bilingual education (and other subjects).

42. **Under this subcomponent, the project will utilize the materials developed by the pilot with inputs from international expertise in teacher professional development, curriculum development, and assessments.** The proposed interventions are based on best international practices including, for example, the case of the municipality of Sobral (Ceará-Brazil), which managed to remarkably improve students' learning outcome since the early 2000s and became the highest performing municipality in the country. Other experiences considered were implemented in Kenya, Rwanda, South Africa and Chile, with notable results.

43. **Ensuring that learning materials are accessible to all children is crucial for this component.** To incentivize the efficient distribution of textbooks to all students in grades 1 to 3 and ensure use at the school level, part of the financing of this subcomponent (US$10 million) will be linked to the following PBC:

PBC1. Increased proportion of grades 1 to 3 students with individual textbooks nationally.

44. **The activities of this component will be complementary to other FASE activities, financing books and learning for upper grades, and teacher training** (preservice and in-service in other subjects and for teachers in upper grades). They will also complement support to bilingual education, both FASE and other bilateral partners, such as USAID through the *Vamos Ler!* program.

Component 2: Increasing access and retention of girls in upper primary and lower secondary education (total of US$150 million: US$70 million equivalent from IDA financing and US$80 million from GPE financing)

45. **This component will support MINEDH in its efforts to increase girls' retention in upper primary and lower secondary education, improving the school environment and expanding the supply of lower secondary schools, especially in areas with low enrollment of girls.** As described in the ESP, one of the major challenges in the sector is the retention of girls in upper primary and secondary education, especially in the northern region, where discriminatory social norms against girls are more predominant and access is more difficult. The demand side barriers are coupled with limited supply of secondary education services, mainly due to severe deficits of schools and teachers. The project will aim at making schools and distance learning modality more accessible to girls and provide further dynamism to several activities at the school level that promote retention of girls in schools.

Subcomponent 2.1. Facilitating access to upper primary and lower secondary for girls (total of US$75 million: US$15 million from IDA financing and US$60 million from GPE financing, with US$23 million linked to PBC2)

46. **This subcomponent aims at expanding supply of schools offering lower secondary education and improving the conditions of school infrastructure to help attract and retain girls, prioritizing areas with low enrollment and retention among girls**. This will include the upgrading of a number of primary education schools, expanding them to be able to provide lower secondary education, as planned by the revised National Education Law. MINEDH has identified 235 primary schools considered as eligible for upgrading to become basic education schools (teaching grades 1 to 9) in a first stage. These schools include primary schools currently offering some secondary education grades or hosting secondary education groups, which depend on another distant secondary school. In a second stage, MINEDH will continue with the upgrading of additional 100 schools, for a total of 335 schools during the implementation of the project. Out of the 335 schools, the upgrading of 194 schools will be financed by the fixed part of the project financing, while the remaining 141 schools will be covered under the PBC2 and will be located in districts with girls' GER below 60 percent.

47. **MINEDH is assessing these schools to identify the adjustments needed to offer lower secondary education according to the standards.** Adjustments will be made both in infrastructure and human resources. Work on infrastructure includes, as a central priority, the rehabilitation or construction of WASH facilities in all upgraded schools, which will ensure access to water and adequate sanitation facilities. Sanitation facilities will be gender friendly and support the management of menstrual hygiene. They will also be accessible for children with physical disabilities. Furthermore, at the upgraded schools, there will be new construction of houses for teachers to help attract female teachers from remote areas.

48. **This subcomponent will also support the upgrading of eligible teachers.** The training of teachers will focus on those teaching in primary who are eligible to teach at the secondary education level (depending on adequate academic background) to teach in the upgraded lower secondary schools. The reform implemented by the revised National Education Law, which reduces the duration of primary education and changes to a single-teacher model up to grade 6, will release primary education teachers in the system. The expansion of lower secondary will also require the hiring and deployment of new teachers. Thus, this subcomponent aims at facilitating this transition, helping to ensure that upgraded schools meet all the personnel requirements to teach the lower secondary curriculum. This type of training is critical to ensure that expansion of lower secondary is done without a negative impact on quality. Emphasis will be given to requalify female teachers, to the extent possible, aiming at increasing the share of female teachers in lower secondary. Distance-learning programs will be used to support requalification of primary school teachers, as needed. All teacher training efforts will include a focus on GBV awareness and mitigation.

49. **Activities include:**

a. **Improvement of school infrastructure, including WASH facilities.** MINEDH will conduct a detailed assessment of the 335 primary schools which can be equipped to teach lower secondary, identifying infrastructure and personnel needs. An upgrading plan will be prepared for each of those schools, including detailed budget needs. After a plan is developed for each school, infrastructure conditions will be improved and expanded as needed to meet the minimum standards required for a lower secondary school, including inclusive and gender friendly WASH facilities.

b. **Training and allocation.** The Human Resources Department will work to identify the list of teachers whose profiles fulfill the established requirements to teach lower secondary. An assessment will be done to ensure that the requalification of teachers does not generate a deficit of primary teachers. Therefore, when considering the training and relocation of eligible teachers to teach lower secondary, MINEDH's plan will ensure that, if vacancies in primary are created by this relocation, new hires or teachers released within the sector will fill those vacancies. When possible, female teachers will be prioritized. Eligible teachers will receive specially designed training provided by the IFPs. Lecturers of the IFPs will also be trained to be able to deliver this training to requalified teachers.

50. **To incentivize a stronger focus in the underserved regions of the country** (where gender gaps are larger and school infrastructure conditions show greater deficits), US$23 million of the total financing of this component will be tied to the achievement of the following PBC:

PBC2. Increased retention of girls in upper primary and lower secondary in the selected upgraded schools located in districts where girls' GER is below 60 percent.

51. **The achievement of PBC2 will imply that all schools identified for the upgrading would be supported,** and that nearly60 percent of the upgraded schools of the first phase are in the districts with lower girls' GER, helping to reduce regional disparities.

52. **The activities of this component will complement other efforts to improve school infrastructure and WASH facilities**, especially as part of Mozambique's COVID-19 response plan. The Ministry of Public Works informed the World Bank that US$44 million will be allocated to improve WASH facilities in 667 secondary schools. Also, GPE approved a US$15 million grant to support COVID-19 response in Mozambique, including funds to support hygiene supplies in schools among others (these activities will not include improvements to school infrastructure). GPE is also supporting the reconstruction efforts in the areas affected by Cyclones Idai and Kenneth in March 2019. These grants (through the accelerated funds mechanism) amount to US$20 million and include US$10 million for infrastructure and WASH facilities in selected districts. The Disaster Risk Management and Resilience Program (P166437) is also financing the refurbishing and rehabilitation of 3,000 schools in areas with the highest risks of natural disasters and will be complementary to the project activities. Finally, FASE has been allocating around 30 percent of its annual budget to school infrastructure, mainly focusing on building new schools and additional classrooms in existing primary and secondary schools.

Subcomponent 2.2. Strengthening the quality and expanding the scale of Distance Learning (total of US$45 million: US$25 million from IDA financing and US$20 million from GPE financing)

53. **There are currently 384 distance learning (DL) centers in Mozambique**, mostly established in primary schools, providing services to 39,000 students (47 percent girls). MINEDH's target is to increase the number of centers by 25 percent and reach 5 percent of total enrollment in secondary education. The DL program is implemented through delivering printed material to students in lower secondary and using an online platform with academic content for upper secondary students. Distance learning implemented in the context of COVID-19 response opens up an opportunity to diversify and improve DL channels and materials and attract students who are out of the system to complete lower secondary. The activities in this component will support the strengthening and expansion of DL in its different formats (TV, radio, online and printed materials), maximizing possible coverage.

54. **This subcomponent will support the establishment of multimedia studios to allow the broadcast of live classes and production of high-quality videos**. It will also equip the DL centers with Information and Communication Technologies (ICTs) to make the learning process synchronous and interactive. The activities of this subcomponent are based on the effective experiences in Mozambique and other countries, including northern states of Brazil, with similar challenges to Mozambique in terms of connectivity and geographical dispersion of schools. Pedagogic materials will be fully adapted to DL, and tutors will receive training, including larger practical components. DL centers will be selected based on access and retention rates of girls in the area. Activities of the subcomponent will also include work with communities to attract more girls into DL, especially out-of-school girls or girls at risk of dropping out. Activities will be targeted, to the extent possible, to the same localities where the interventions implemented by the HDD project take place.

55. **A fundamental component for the expansion of quality DL is adequate teacher training in their added role as facilitators of content in a hybrid learning strategy.** Although the best teachers are expected to be recruited for distance education material, the success of the model relies on students adhering to the format and engaging at local level. Teachers are expected to be trained to teach using DL tools by 2022 to be ready to teach in secondary education in this new format by 2023.

56. **The activities of this subcomponent include:**

a. **Strengthening and expanding DL supply.** The activities will include strengthening the connectivity of schools and DL centers facilities, providing solar panels for areas with poor access to electricity, the adaptation of teaching materials to digital platforms, training tutors, and the creation of studios for the broadcast of live classes and the creation of video recordings with educational content. The minimum requirements of equipment, materials and infrastructure for a DL center will be revised. An assessment and diagnosis will be made on the current DL centers to identify main equipment and infrastructure deficits compared with the new standards. Technology and materials will be provided to all DL centers according to the needs identified in the diagnosis. Schools where new DL centers can be built will be identified, and the new DL centers will be built and equipped according to new standards. Complementary channels of DL will be implemented (radio and TV), using materials and programs developed during the COVID-19 response school closure and other relevant experiences. Finally, the use of an online platform will be expanded to cover upper primary and lower secondary contents. Recruiting and training effective teachers and tutors will be critical to ensure high quality DL. A special training program for DL will be designed by MINEDH. IFPs will also be involved in the training of tutors, with the possible partnerships with universities.

b. **Support to girls who have dropped out.** The project will also support adolescent girls who have dropped out school, by providing them with laptops or tablets to allow for DL enrollment and graduation. Beneficiaries will be identified in coordination with the social protection projects (HDD). Digital devices will be distributed to the DL centers, and beneficiaries will be able to borrow them to continue their studies. Devices will include digital content to allow that student can access materials in locations where no connectivity is available.

57. **Despite the fact that the outputs financed by this subcomponent can benefit all students in Mozambique, all DL activities will prioritize implementation in the northern and central regions of the country, where supply of lower secondary schools is limited.** Areas of escalating violent conflict in Cabo Delgado will also

be considered in the scaling up of DL activities. This will be done in coordination with the preparation of the new HD project for the northern region and in close collaboration with agencies with expertise in fragile contexts and with working in these areas of Mozambique.

Subcomponent 2.3. Promoting a safe and inclusive school environment for girls (US$30 million from IDA financing)

58. **This subcomponent will support the implementation of SRH education program and GBV awareness and mitigation in upper primary and lower secondary education schools**, as well as the consolidation of circles of interest and mentorship programs for girls in schools.

59. **The activities of this subcomponent include:**

a. **Implementation of a sexual and reproductive health education (SRH) program in upper primary and secondary schools.** MINEDH is implementing an SRH program in collaboration with the Ministry of Health. This program currently aims at reaching 80 percent of secondary schools. The project will review the SRH program, strengthen its content and monitoring mechanism, and scale up to achieve all lower secondary schools and upper primary schools. Within this program, among other activities, the participating school establishes a corner or circles of interest to which students (both girls and boys) can address questions and concerns or look for information. The school identifies a gender focal-point person, who is especially trained for this task and is regularly visited by staff of the community health center. To expand this intervention to isolated schools, the program will develop a more basic package of services, including information materials, training of the focal-point person at the school, and virtual consultations with health center staff. This intervention will be monitored with two surveys (one in the beginning of the program and the other after at least three years of the program's implementation) to assess effectiveness and implement course-correction measures if needed.

b. **Development of a GBV risk assessment, mitigation plan and monitoring.** GBV activities will include the development of an assessment of the main risk factors, the design and implementation of a plan to mitigate those risks, and a mechanism to monitor the evolution of those risk factors during the implementation of the project. Evidence shows that addressing and monitoring GBV risk factors has a big impact in terms of prevention, thereby, complementing efforts to address mitigation. The focus of this intervention will be on the provinces with higher prevalence of GBV (Cabo Delgado, Niassa, Nampula, Zambézia, Manica, Gaza and Inhambane).

c. **Development and implementation of a referral mechanism.** The project will support MINEDH's efforts to implement a multisectoral referral mechanism for identification cases of GBV in schools, follow-up, and assistance of victims. The mechanism identifies roles and responsibilities for teachers, school authorities and school community, and includes other referral channels that are independent from the school. The referral mechanism will be broadly communicated in upper primary and secondary schools.

d. **Implementation of communication campaign addressing social norms in targeted communities.** The project will finance a program targeted to specific communities with the aim of changing certain behaviors and social norms that influence practices that allow gender violence. This program will be designed and implemented according to the most effective international and national practices, which indicate that

communication efforts need to be frequent and sustained over a certain period (once every four months the communication campaign must be relaunched). A monitoring mechanism will also evaluate the effectiveness of this program.

e. **Implementation of a school-based mentorship program for girls in upper primary and lower secondary in upgraded schools.** The objective of mentoring is to provide support and valuable life-skills training to girls in upper primary and secondary education. Activities will be focused at the 335 upgraded schools (subcomponent 2.1) and will include developing content and materials for the mentorship program, aiming at retaining and supporting girls in school. Female mentors will be identified in the school communities and will work with female students, serving as coaches, supporters, role models, and advocates. Mentors will meet with their mentees (approximately 1 mentor per 20 mentees) after their school day, at their school location for at least six months over the school year. Mentoring activities may include reading, playing games, participating in hobbies, discussing school and favorite activities, and building the student's confidence. Activities will also include financial education, negotiation skills and other skills for life. Mentors will receive training and accreditation before joining the program. Activities will be coordinated and will seek synergies with other mentorship programs in Mozambique, including those implemented within the HDD project that focuses on girls who drop out.

Component 3: Strengthening governance to improve efficiency and monitoring of education outcomes progress (total of US$55.5 million: US$40.0 million equivalent from IDA financing and US$15.5 million from GPE financing, with US$9.0 million linked to PBC3)

60. **Component 3 has a two-fold aim**. It aims at improving the efficiency of the system in monitoring education outcomes, such as access, progression and learning. It also seeks to introduce a result-based financing program at the school and district levels to improve efficiency in the allocation of teachers and reduce teachers' absenteeism, and to boost the objective of this project in terms of girls' retention.

Subcomponent 3.1. Strengthening capacity to collect and analyze data, including disaggregation by gender (US$6.5 million from GPE financing)

61. **This subcomponent aims at strengthening the capacity of MINEDH's Directorate of Planning to collect and analyze education statistics, as well as consolidating the National Learning Assessment (NLA) system, to help monitor girls' education progress.** The capacity in MINEDH to analyze, monitor and evaluate education performance has improved in the past decade. However, there is limited capacity development at the provincial, district and school levels. For the Government to progress on quality indicators such as learning and retention, it will be critical to develop the capacities for effective education policy analysis, planning, administration, and monitoring at the provincial and subprovincial levels.

62. **Therefore, this subcomponent will support the following activities:**

a. **Strengthening the National Education Management Information System.** The project will support the National Strategy for the Development of Education Statistics (ENDEE) 2020–2024 in its goal to strengthen the National Education Management Information System (SIGE). ENDEE identified that the current available data are not enough to produce all disaggregated and comparable indicators required to monitor progress toward established national and international goals. More reliable, timely and disaggregated

data will enhance the system capacity to monitor education progress, including learning conditions that disproportionately affect girls, such as GBV cases reported.

b. **Consolidating the NLA system.** This includes the implementation of regular national learning assessments at all levels of schooling. The NLA will be conducted every three years for basic education and results disseminated at all administrative levels. The main objective of this activity is to help strengthen the Government's capacity to conduct national learning assessments. The sector has encountered specific challenges to implement the current NLA on a regular and timely basis. Mozambique developed its first NLA in 2013 and a second assessment took place in 2016. A third assessment was planned for 2019, but due to procurement challenges in the process, the assessment was conducted by INDE, which resulted in only covering the southern region due to limited technical staff and the short time to prepare. The next round of the NLA was planned for 2020, but due to COVID-19, it has been postponed to 2021. These efforts, largely financed by development partners through FASE, have enabled some capacity development within INDE to manage the sample-based evaluation process, but there is a need to ensure continuity of these assessments in a systematic manner, and that the results are used for education policy making. The NLA will be implemented in both monolingual and bilingual modalities for primary education. This activity will also develop and implement an assessment for the secondary level**,** which would allow to keep track the performance of girls (and boys) in lower secondary. It will complement the current NLA for grade 3 (as implemented in the last two NLAs). This activity will benefit the entire system, allowing the monitoring of students' progress, focusing on the provision of pedagogical feedback to schools for them to review their strategies and plans, and informing MINEDH at different levels to guide education policy, including specific actions related to girls' education.

Subcomponent 3.2. Implementing result-based financing to improve education outcomes (total of US$49 million: US$40 million from IDA financing and US$9 million from GPE financing, linked to PBC3)

63. **This subcomponent will finance two performance-based financing mechanisms: one at the school level and another at the district level:**

a. **School level.** Building on lessons from a 2018 pilot, the performance-based school-grants program will be scaled up and adjusted. The pilot Direct Support to Schools – Performance based (ADE-D) was implemented in three provinces (nine districts), where eligible schools received a financial incentive in addition to the regular school-grant program, which is determined by enrollment. Performance was measured by teachers' absenteeism, transparency in the school-grant management, involvement of the school council, and students' reading skills. The pilot showed that, in a context of low capacity, monitoring implementation and verifying performance progress are highly challenging. Thus, the program requires simplifying the verification means and performance indicators. In the scaling up introduced by this project, indicators on girls' attendance and retention in school will be included. These indicators can be measured by the administrative data collected every year in all schools through the school census conducted on March 3 and one conducted at the end of the school year. Teachers' absenteeism will also be included as a measure of school performance; random spot checks will be ran by an independent firm to verify schools' reports on absenteeism. The program will be scaled up to three additional provinces for a total of six provinces.

b. **District level.** A results-based program will also introduce incentives to improve education outcomes, inspired by the successful experience of the state of Ceará in Brazil, which revolutionized tax transfers to local governments, considerably improving levels of learning with a high level of efficiency in the use of resources. Districts will receive additional resources according to the improvement in educational indicators that will be defined in order to avoid possible conflicts of interest with their supervisory role and may include: (1) strengthening the capacity to monitor school indicators; (2) increasing girls' retention rate; (3) reducing the absenteeism rate of teachers; (4) improving pupil-teacher ratio within schools; and (5) increasing the presence of female teachers, especially in more isolated areas. The incentives could spur districts to promote female teachers (meeting needed requirements), especially for upper primary grades. The World Bank team will support MINEDH in designing the incentive mechanism.

64. **Technical assistance will be provided to districts and schools**, which will complement the implementation of the performance-based programs. Technical assistance is a critical complement for the success of result-based financing (RBF).

65. **This subcomponent will include a financing of US$9.0 million, to incentivize the design and implementation of a mechanism to monitor teachers' absenteeism.** This financing is tied to the achievement of the target of the following PBC:

PBC3. Reduced teachers' absenteeism in primary schools at national level.

Component 4: Project management, monitoring and evaluation (US$3.5 million from GPE financing)

66. **This component will finance the overall management of the project, as well as the implementation of its monitoring and evaluation mechanisms.** An Implementation Support Team (IST) will be established within MINEDH (described in section III below and annex I of this document) to support the project implementation, helping coordination and coaching MINEDH's units, through which the different activities of the project will be implemented. The IST will also ensure the interministerial coordination, as needed.

67. **The main activities included in this component are the establishment of the IST and overall project management, overall project monitoring and evaluation, verification of the PBCs targets by an independent verification agency (IVA), and project reporting and communication.**

Component 5: Contingent Emergency Response (US$0 IDA financing)

68. **This component will provide immediate response to an eligible crisis or emergency, as needed.** This would finance emergency works and activities in the case of a disaster event by including a zero-dollar Contingent Emergency Response Component (CERC). This would help recover damage to infrastructure, ensure business continuity, and enable early rehabilitation. In parallel, following an adverse event that causes a major disaster, the GoM may request the World Bank to channel resources from this component into an Immediate Response Mechanism (IRM). The IRM would enable the use of up to 5 percent of uncommitted funds from the overall IDA portfolio to respond to emergencies. This IRM has already been established for Mozambique and is now operational. Specific details around this component including activation criteria, eligible expenditures, specific implementation arrangements, and required staffing for the coordinating authority are defined in greater detail in the IRM operations manual approved in April 2016 (currently named CERC Manual).

Project Costs and Financing

69. **The proposed project will be financed by an IDA grant of US$160.0 million and a GPE grant of US$139.0 million.** As required by GPE, 30 percent of the total GPE grant will be linked to the achievement of the target of PBCs, associated to GPE's focus areas of learning, equity and efficiency. The costs by project component and subcomponent are summarized in table 1.

Table 1 Project Costs and Financing Source

Components	IDA Financing	GPE Financing		Total Project Financing
		Fixed	Variable	
Component 1: Improving learning in primary education	**50.0**	**30.0**	**10.0**	**90.0**
Subcomponent 1.1 Strengthening preschool services		25.0		25.0
Subcomponent 1.2 Strengthening reading skills in primary education	50.0	5.0	10.0	65.0
Component 2: Increasing access and retention of girls in upper primary and lower secondary education	**70.0**	**57.0**	**23.0**	**150.0**
Subcomponent 2.1 Facilitating access to upper primary and lower secondary for girls	15.0	37.0	23.0	75.0
Subcomponent 2.2 Strengthening the quality and expanding the scale of Distance Learning	25.0	20.0		45.0
Subcomponent 2.3 Promoting a safe and inclusive school environment for girls	30.0			30.0
Component 3: Strengthening governance to improve efficiency and monitoring of education outcomes progress	**40.0**	**6.5**	**9.0**	**55.5**
Subcomponent 3.1 Strengthening capacity to collect and analyze data, including disaggregation by gender		6.5		6.5
Subcomponent 3.2 Implementing result-based financing to improve education outcomes	40.0		9.0	**49.0**
Component 4: Project management, monitoring and evaluation		**3.5**		**3.5**
Component 5: Contingent Emergency Response Component	**0.0**			**0.0**
Project total	**160.0**	**97.0**	**42.0**	**299.0**
World Bank supervision		**1.0**		**1.0**
Total	**160.0**	**98.0**	**42.0**	**300.0**

70. **The proposed project will operate through FASE, complementing other FASE financed activities**. FASE's recent disbursements and indicative financial commitments for the next five years, including the proposed project, are presented in table 2 below.

Table 2 FASE Disbursements and Indicative Financial Commitments

Agency	Amount (Million - US$)	
	Disbursements 2012–19	Indicative commitments 2020–24
World Bank	217.2	160.0
GPE (ESPIG and Multiplier Grants)	145.9	139.0

Other FASE partners*	426.1	135.8**
Total FASE	**789.2**	**435.8**

*Includes Canada, Germany (through KfW), Finland, Ireland, Italy, Portugal and UNICEF.
**Includes Canada, Germany (through KfW), Finland, France, Ireland, Portugal and UNICEF. In the case of Portugal, it includes only disbursements for 2020, since Portugal informs its commitments on an annual basis. Italy has not provided indications of FASE contributions for the next years.

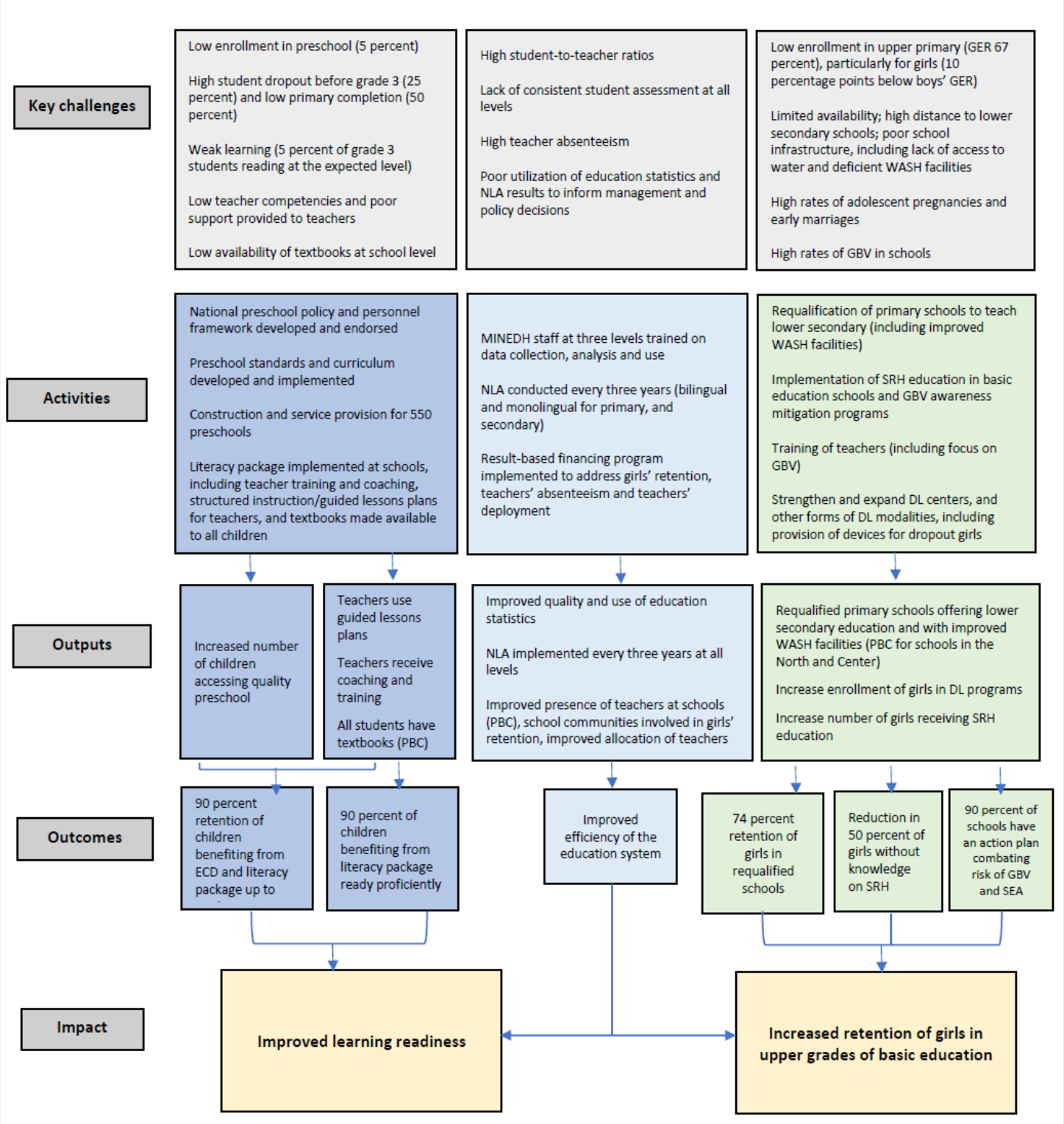
C. Project Beneficiaries

71. **Primary beneficiaries of this project are eight million school children in preschool and basic education, teachers, principals and parents nationally.** The project will benefit boys and girls in preschools and primary schools benefiting with the literacy program. Also, while the focus is on retention of girls in upper grades of basic education (currently nearly 495,000 girls) the upgrading of schools, DL activities and SRH education program will also benefit boys. In a broader sense, by strengthening the education system and its capacity, 140,000 teachers and officials at different levels will benefit from a well-functioning system. Communities in targeted areas will also benefit from different activities of the project, such as parental education on early childhood development and raising awareness about gender issues that hamper girls' participation and inhibit their success in education.

D. Results Chain

72. **The theory of change underlines the challenges and associated strategies defined in this project and is fully aligned with the ESP 2020–29**. It outlines some of the key challenges facing the sector, the priority activities identified to address those challenges, and how the expected outputs from these activities seek to achieve the key objectives of the project (figure 4). The challenges, activities, outputs, and outcomes are organized under the three main components of this project: improving learning in primary education; increasing retention of girls in upper primary and lower secondary education; and strengthening governance to improve efficiency and monitoring and education outcomes progress.

Figure 4 Project results chain



E. Rationale for World Bank Involvement and Role of Partners

73. **The value added of World Bank's support derives from its close and efficient collaboration with the Government and its extensive knowledge of evidence-based best practices across Africa and beyond, including intersectoral expertise.** The World Bank has developed a comparative advantage in the areas related to the proposed activities such as teacher training, development and procurement of learning materials, distance learning, and implementation of learning assessments. Additionally, it has experience in the management of GPE funds, with operational know-how for results-based financing, impact evaluations and implementation support for M&E, and is an active member of the LEG.

74. **The content of this project was presented to and discussed with cooperating partners and civil society.** As part of the continuous dialogue with cooperating partners supporting the education sector and civil society, the design of the project was discussed and endorsed by the LEG, as required by GPE procedures. The implementation of activities will be closely coordinated with the FASE partners (Germany, Finland, Canada, Ireland, France, Portugal and UNICEF) and USAID (for its program in bilingual education).

F. Lessons Learned and Reflected in the Project's Design

75. **The project design incorporates several lessons learned from previous education projects in Mozambique and relevant World Bank projects around the world**, as well as the discussion with education development partners and civil society.

76. **The early literacy package in subcomponent 1.2 adopts important elements of successful programs in Kenya, South Africa and Brazil (state of *Ceará*).** Those programs resulted in visible improvement in students' learning in 5 to 10 years. They combined a group of interventions at the school level, including scripted instruction, supporting teaching and learning materials, and teacher training based on classroom observation, peer feedback and coaching. *Vamos Ler!* in Mozambique also uses some of those elements, which will help the design and implementation of this project.

77. **Effective RBF programs establish clear, simple and measurable targets**. The ADE-D pilot in Mozambique helped inform the design of the scale-up included in this project, highlighting the challenges in implementing credible verification means. The proposed RBF programs in this project simplify the indicators used to measure performance and use administrative data to the extent possible or other established data collection means. Moreover, effective GBV interventions ensure that the main risk factors are identified, addressed and monitored, rather than measuring GBV prevalence, which is complex to do on a large national scale.

78. **Ensure Government ownership and implementation capacity at all levels.** MINEDH has long experience in implementing World Bank and GPE projects and has strengthened its capacity. Yet, continuous support and coaching is critical for timely and effective implementation of project activities, especially at the local level. The project's implementation arrangements include the support of an Implementation Support Team, which includes members (coaches) at the provincial level to provide closer support to districts and schools clusters. The project is directly aligned with the recently approved ESP 2020–29, which was prepared through a highly consultative process to ensure Government ownership at all levels.

79. **Multisector interventions require effective coordination between different ministries.** Several interventions in this project require a multisectoral approach and, consequently, need effective coordination between MINEDH and different ministries. The IST will support this coordination.

80. **When using public private partnerships to implement programs, it is important to separate construction aspects from other operational components.** In the case of the project ECD activities of the previous education project (ESSP), the original design was somewhat ambitious given the fact that the communities selected were in extremely remote locations, which made implementation more challenging for construction, educators' support, distribution of materials, and other activities. Also, the third-party providers (TPPs) hired to implement the project in its early stages had the responsibility for all aspects of the delivery of the project, including construction. Some TPPs did not have the needed construction expertise in place which delayed the construction of ECD centers that led to implementation delays and a reduction in the number of centers developed under the project. The ECD interventions in the proposed project will emphasize the focus on content and teacher training, simplifying infrastructure (while complying with minimal standards), and separating construction responsibilities from content development.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

81. **MINEDH is responsible for the overall implementation of the project.** MINEDH will implement the project through its different units or departments and will have total fiduciary responsibility. However, in line with the multisectoral approach being proposed for this project, MINEDH will coordinate with relevant ministries. Subcomponent 1.1 will be implemented with MGCAS, as established in the regulation on the National Education Law. MGCAS participated in the preparation of the project. Similarly, this subcomponent will also require coordination with the Ministry of Health for the nutrition-related interventions. The adjustment and implementation of the Sexual and Reproductive Health Education program will also be done in collaboration with the Ministry of Health. At the local level, MINEDH will rely on existing structures, including the District Services of Education, Youth, and Technology (SDEJT).

82. **Within MINEDH, the Directorate of Planning and Cooperation (DIPLAC) will be responsible for the coordination of the project implementation, with the support of an implementation support team.** While the main responsibility of the project implementation will lie with MINEDH's respective directorates and departments, DIPLAC will be assisted by an IST whose role will be to strengthen MINEDH's implementation capacity at the central and local levels, help in the daily management of the project, and support the coordination with the other sectors, which are key to the success of this project. The IST will act as a catalyst and coach to MINEDH staff at the central and local levels to strengthen implementation management skills and accelerate the implementation of the planned and budgeted outputs. In terms of staffing, the IST will be composed of socially dynamic and agile international and national coaches that provide on-the-job training. At the central level, the IST will include a coach or project manager, a gender/GBV specialist, an environmental specialist, a social development specialist, an infrastructure development specialist, a procurement officer, a textbooks procurement specialist, a project accountant and a financial management (FM) specialist. The IST will also have representatives at the local level, one official per province, who will be responsible for coordinating, training and supporting the project focal point at the SDEJT. Based on needs and requirements, other specific members with specific skill sets and expertise can

be added after a joint agreement between the World Bank and MINEDH. The terms of reference (TOR) for these positions will be prepared and agreed with the World Bank's team and included in the Project Implementation Manual, to be finalized no later than two months after the project's effectiveness.

83. **The project will contribute to the pooled fund FASE.** As established in the FASE Memorandum of Understanding (MOU), funds will be allocated based on an agreed annual activity plan, prepared and budgeted each year by MINEDH. The annual plans are agreed with the World Bank and the other cooperating partners. A new FASE MOU is being prepared and discussed between FASE members and MINEDH. As the project will be channeled through FASE, the structure of the IST will be finalized in consultation with the LEG and will be aligned with the revised implementation mechanism of FASE.

84. **To ensure synergies with other external support, the IST will have a key role in coordinating technical assistance.** An important function of the IST is to reinforce horizontal links between planning, budgeting, financial management, procurement, M&E, reporting, and program departments. As part of this function, the IST will guarantee that technical assistance is responding to a human resources development plan developed by MINEDH, which highlights clear gaps and needs across the central and provincial levels of the ministry. An HR Development Plan will need to be developed and budgeted each year and as a prerequisite for the approval of the annual plans and budgets. The IST is in charge of managing and ensuring the interconnectivity and regular exchange between all technical assistance that is provided and relevant to staff members.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

85. **The design of the project is well supported by evidence and best practice, and is aligned with the country's education priorities.** The project supports the implementation of the ESP 2020-29 addressing key challenges in the education sector. Those key challenges include learning in the early grades and retention of girls in upper grades of basic education. The design of the project benefited from the analytical work developed for the ESP 2020-29, which substantiate priority areas, activities and targets. The project also builds on the achievements of the previous World Bank-GPE financed project (ESSP) and complements other efforts to support the ESP 2020-29, including those financed by FASE. Finally, the proposed activities include innovations and best practices from effective international experiences, such as the early literacy programs implemented in Sobral municipality (Brazil), South Africa and Kenya, the DL interventions in Piaui (Brazil) and the result-based financing approach in the state of Ceará (Brazil).

86. **The focus on girls and the prioritization of underserved areas to reduce regional disparities contribute to reducing key sources of inequality and fragility in Mozambique.** Helping girls stay longer in school is considered an effective way of girls and women's empowerment, fostering not only girls' current education attainments, but also delaying marriage and childbearing, improving health outcomes and having long term impact on future generations' human capital. The prioritization of some activities of the project in underserved areas, with low educational attainment, mostly located in the northern and center regions of the country, will help reduce the large regional disparities, which foster fragility and instability. By reducing gender and regional inequalities, the project will contribute to the education sector priorities, while also aiming for and helping on broader human development in the country.

87. **The economic and financial analysis for the project addresses three key matters:** (1) the rationale behind the proposed interventions; (2) what the major expected benefits and costs related to the project are; and (3) the value added by the World Bank. The cost-benefit analysis assumes that the multilevel interventions will impact basic education outcomes, reflected in higher transition from primary to secondary education, and higher completion rates. Benefits from project's interventions are estimated as the increased wage incomes resulting from larger numbers of students completing basic education. The net present value (NPV) of the project is estimated at US$272 million and the equivalent internal rate of return (IRR) is 15 percent. The NPV does not consider the expected positive externalities and other potential beneficiaries and, therefore, represents a very conservative estimate. A series of sensitivity analyses were conducted to assess the variations in the NPV and IRR within a reasonable range of adjustments to the assumptions (See annex 3).

B. Fiduciary

Financial Management

88. **A financial management assessment was undertaken to evaluate the adequacy of the proposed project financial management arrangements.** The assessment was carried out in accordance with the Directives and Policy for IPF, the World Bank Guidance on FM in World Bank IPF operations issued on February 28, 2017, and World Bank Guidance on IPF with PBC issued on January 29, 2020. MINEDH has gained experience over time in implementing World Bank-financed operations. The latest supervision mission of the Education Sector Support Program (ESSP – P125127) in December 2019, concluded that the MINEDH has been working to ensure compliance with FM requirements for World Bank-financed operations and the FM performance rating is Satisfactory. No major FM issues were raised under this program. The overall FM risk is Substantial due in part to country risk, capacity issues in the country, and the decentralized nature of the project.

89. **The project funds, expenditures, and resources will be accounted for using the existing automated accounting software.** This software is in use in the education sector in parallel with the government integrated financial management information system (e-SISTAFE), which is used for the payment of program expenditures. Disbursements of IDA funds for the IPF activities will be report-based (based on the interim financial reports - IFRs) and will use the following methods: reimbursements, advances, direct payments, and special commitments. MINEDH will prepare quarterly unaudited IFRs and will provide such reports to the World Bank within 60 days of the end of each calendar quarter. The project financial statements will be audited annually by a private audit firm, in accordance with International Standards on Auditing as issued by the International Auditing and Assurance Standards Board (IAASB within IFAC). The audit report together with a management letter will be submitted to the World Bank within six months after the financial year-end (June 30) of each following fiscal year.

90. **For IPF-PBC components, advance disbursements will be made through the designated account for expenditures as they are incurred, which typically cover six months of anticipated project expenditures, and the reimbursement method upon achievement of outputs and outcomes, as defined by the PBCs.** Confirmation that a PBC is achieved will be based on agreed verification protocols by an independent verification agent. Once the achievement of an indicator is verified, the Government can make a disbursement request.

91. **MINEDH will be responsible for compiling all data, information and evidence of achieving the PBC to ensure verification of the protocol (see annex 2).** The documentation, including evidence of verification, should be submitted to the World Bank to allow disbursement of agreed amounts. The contents and quality of verification

should be satisfactory to the World Bank. In addition, the IFR will include information on eligible expenditures program. The overall conclusion of the fiduciary review is that, despite some weaknesses that have been identified, the country Public Financial Management (PFM) systems are adequate to provide reasonable assurance that the budget lines for the eligible expenditures are currently appropriately managed. The budget preparation and execution monitoring, accounting and financial reporting are considered adequate. Detailed procedures for the verification protocol, accounting, reporting, and documentation of eligible expenditures will be outlined in the Project Implementation Manual.

Procurement

92. **Procurement arrangements and capacity.** The proposed procurement activities for the project will be managed by the Procurement Department (DAQUI) of MINEDH, which shall be resourced with the necessary capability for a day-to-day management of the project, including the availability of qualified capacity in procurement, which would be satisfactory to the World Bank. While MINEDH has implemented the recently closed World Bank-funded ESSP (P125127), there was a concern about the capacity to efficiently manage procurement. To address this matter, MINEDH has hired a consultant with adequate qualifications in procurement, including in contract management. This arrangement will enable the Ministry to manage World Bank fiduciary requirements from an early stage in a satisfactory manner and advance the implementation of envisaged activities under the project. The World Bank will carefully monitor the compliance to the procurement provisions and DAQUI's implementation capacity and provide support throughout the implementation. Some of the activities will be implemented at a decentralized level, by provinces. Therefore, the Project Implementation Manual for procurement will need to detail the level of delegation to the provinces and the certain types and amounts of procurement to be vetted by DAQUI. Providing these details in the manual will help ensure compliance with the provisions of the Financing Agreement, which is required before awarding contracts to the decentralized units.

93. **Procedures.** Procurement for the proposed operation will be carried out in accordance with the World Bank Procurement Regulations for IPF Borrowers, dated November 2020 (amended over time), and the provisions stipulated in the Financing Agreement. Furthermore, procurement will also follow the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006 (revised in January 2011 and July 2016).

94. **Country practices.** Payments to foreign providers may affect the performance of the procurement function of the project, as substantial delays are occurring throughout the portfolio. In addition, the fulfilment of the requirements of the Attorney General's Office and the Administrative Tribunal for legal vetting of contracts, may lead to delays in contract signing, after the completion of the evaluation process and of the contract award. It is instrumental that the time required for the processing by the Attorney General's Office and the Administrative Tribunal is carefully considered in the activities planning process. Furthermore, when a contract is entered with a foreign supplier or consultant, there is a need to obtain clearance from the Ministry of Economy and Finance (*Repartição de Assuntos Júricos e Contratos*) and the Central Bank (*Banco de Moçambique*), before payments abroad can be authorized. These risks are portfolio wide and will be regularly monitored.

95. **Project Procurement Strategy for Development.** MINEDH, through DAQUI, prepared a Project Procurement Strategy for Development (PPSD), with support from the World Bank. The PPSD reviews the key contracts to be financed by the project, for the initial 18 months and recommends the most suited approach for MINEDH to implement a fit-for-purpose procurement, achieving value for money with efficiency. The PPSD

highlights the need to further strengthen the procurement team within MINEDH, particularly with the provision of qualified personnel in the selection of consultants and procurement of textbooks. As an outcome of the market review, there are no procurement that require special provisions for market engagement, nor there is procurement that is likely to require additional expertise, once the recommendation to strengthen the team has been implemented. The PPSD also informs the initial procurement plan and MINEDH's DAQUI will create the activities in the Bank's Systematic Tracking of Exchanges in Procurement (STEP) system and initiate procurement implementation. Additional recommendations of the PPSD will be incorporated in the procurement section of the Project Implementation Manual, which will guide the DAQUI in carrying out procurement in accordance with the World Bank Procurement Regulations.

96. **Procurement risk.** The overall procurement risk associated with the project is Substantial.

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

C. Environmental and Social

97. **MINEDH coordinated the preparation of environmental and safeguards documents, which included consultation.** MINEDH hired an independent consultant who led the preparation of the following safeguards documents: Environmental and Social Commitment Plan (ESCP), Stakeholders Engagement Plan (SEP), Resettlement Policy Framework (RPF), Environmental and Social Management Framework (ESMF, with a separate ESMF for the CERC). The documents included public consultation and were published in the World Bank website on February 19, 2021 and in MINEDH's website on February 20, 2021. The conclusions of these documents are reflected in the Environmental and Social Review Summary (ESRS).

98. **The project will likely target schools that have similar characteristics: poor water, sanitation and hygiene conditions.** Schools, particularly those in rural areas, often completely lack drinking water and sanitation and handwashing facilities; alternatively, where such facilities do exist, they are often inadequate in both quality and quantity. Schools with poor WASH conditions, and intense levels of person-to-person contact, are high-risk environments for children and staff, and exacerbate children's susceptibility to environmental health hazards, including risks to COVID-19. Moreover, some schools have poor infrastructures, including crowded classrooms, inadequate ventilation and lighting, lack of waste management facilities, inappropriate disposal practices, and poorly designed structures for children with disabilities. The project envisages new civil works that will include constructing new schools (preschools) and rehabilitating or expanding schools (primary/secondary education schools), with improvements to water access and overall WASH facilities.

99. **The project will include a strong emphasis on prevention of unsafe school environments for girls and boys through the identification and management of GBV risks and impacts as well as the social norms that undermine school safety.** Subcomponent 2.3 will support the implementation of a SRH education program and GBV awareness and mitigation in upper primary and lower secondary education schools. MINEDH is currently implementing an SRH program in collaboration with the Ministry of Health. This program aims at reaching 80 percent of secondary schools. The project will review the SRH program and strengthen its content and monitoring mechanisms and scale up the program to achieve all lower secondary schools and all upper primary schools. GBV

activities will include the development of an assessment of the main risk factors, the design and implementation of a plan to mitigate those risks, and a mechanism to monitor the evolution of those risk factors during the implementation of the project which will be used to adapt mitigation measures, as needed. In addition, the project will finance a program that targets specific communities that tend to be acceptant of social norms conducive to GBV, aiming at changing those social norms. There will also be a monitoring mechanism to evaluate the effectiveness of this program.

100. **In terms of citizen engagement, the project will establish a Grievance Redress Mechanism (GRM) accessible to all project beneficiaries and surrounding community members, with attention to the vulnerable groups.** The priority of this mechanism is to capture any potential grievance case in its initial stage and be able to address and solve the issues prior an intervention by the formal legal justice system. Project beneficiaries and affected communities will be informed about existence and procedures of the GRM, communication channels, entry points, and response timing. In addition, annual surveys will be conducted throughout the life of the project to gather feedback regarding satisfaction with the completed activities and service delivery.

101. **MINEDH's GRM will be consolidated, expanded and enhanced to cover all project related impacts,** including GBV, Sexual Exploitation and Abuse (SEA), Sexual Harassment (SH) and Violence Against Children (VAC). It will also improve accessibility and systematic monitoring prior to signing the first civil works contract. The GRM procedure will be disseminated in the affected communities to create awareness, particularly among girls. In addition, the project will work with UNICEF and the civil society organization *Centro de Aprendizagem e Capacitacao da Sociedade Civil* (CESC), which together with MINEDH developed a reporting mechanism in schools and in communities with specific details on roles and responsibilities of school personnel, authorities, and community. This reporting mechanism includes different referral channels, some of which are independent from the school. This work will include informing the public on SEA/SH/VAC and monitoring the implementation of the SEA/SH/VAC mitigation and response measures. Additionally, the work will raise public awareness about different entry points to submit complaints, train stakeholders (contractors, communities, and teachers and students), and assist and refer survivors to appropriate service providers. The gathered information will be monitored and reported to the World Bank and other stakeholders by the implementing agency.

102. **This GRM will empower beneficiaries by providing them with appropriate the GBV referral mechanism.** It will also evaluate the effectiveness of this program. The GRM operator should be knowledgeable on what to do if incidents of SEA/SH are reported. The GRM should have specific procedures for SEA/SH including confidential reporting, with safe and ethical case documentation and referral pathways. To ensure appropriate referral pathways, the project will map out relevant service providers in the project's target communities. Mapping should incorporate an assessment of service providers' capabilities to provide quality empathetic, nonjudgmental, child-friendly and survivor-centered services including case management, victim advocacy, independent referral services to health and psycho-social support, for example, that are not linked to the service provider. Finally, community forums or public meetings and consultation meetings with school councils will be held to raise GBV awareness, discuss the impact of this subcomponent, and provide information about GRM effectiveness.

103. **These risks and impacts will be managed through mitigation hierarchy approaches** (avoid, minimize, mitigate and offset) to be included in an ESMF and in a RPF. Both documents were prepared, consulted and disclosed by the Borrower prior to appraisal (February 2021).

104. **The project includes climate co-benefits.** A climate and disaster risk screening has been conducted for the project and resulted in recommendations to adapt the proposed interventions to increase climate co-benefits. For example, the upgrading of primary schools to teach lower secondary education and the construction of preschools will use climate resilience standards, which have already been applied in all school constructions in Mozambique. Also, the upgraded schools will use solar panels to ensure access to sustainable energy.

V. GRIEVANCE REDRESS SERVICES

105. **Communities and individuals who believe that they are adversely affected by a World Bank-supported project may submit complaints to existing project-level grievance redress mechanisms or the World Bank's Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaints to the World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank's noncompliance with its own policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and the World Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's Grievance Redress Service (GRS), please visit http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VI. KEY RISKS

106. **Taking into account mitigation measures, the overall risk of the project is Substantial.** The main risks identified, and the mitigation measures are discussed below.

107. **The political and governance risk is Substantial.** A new administration took office in January 2020 and the new Education Minister confirmed the priority of the sector identified in the newly developed ESP 2020-29. The incoming administration has the mandate to implement key institutional reforms, including a decentralization process, which changes the way the Government operates at the provincial level. While details on how the decentralization process will affect the decision making and responsibilities at the local level in the education sector are being discussed, these are relevant for the implementation of the project since coordination between the different levels of MINEDH is central for all activities. To mitigate these risks, the project is seeking ways to involve local representatives of the IST at the provincial level to create closer coordination with the district education authorities. Other project risk considerations include the increasing conflict, violence, and instability in the northern and center regions. The ITS will work closely with the local authorities in these provinces to identify areas that will need support and monitoring to ensure timely and safe implementation. During implementation, MINEDH and the World Bank will seek collaboration with agencies with expertise and already working in these fragile contexts to adapt as needed the implementation of the project interventions in these areas. Despite mitigation measures, the political and governance risk remains Substantial.

108. **Macroeconomic risks are rated High.** The current macroeconomic risk is high. Mozambique's economic performance experienced a sharp downturn since 2016, triggered by falling commodity prices, adverse climate conditions, and the revelation of a US$ 1.3 billion previously undisclosed public debt, which had consequences on the macroeconomic and fiscal environment. In 2019 the country was also affected by the devastating impact of

tropical Cyclones Idai and Kenneth, that resulted in losses of lives and destruction for an estimated value of US$ 3 billion.[46] The economic activity in 2020 was severely affected by COVID-19. Growth prospects for next three years are still modest, which is likely to come with a tight fiscal scenario. The economic situation could have important implications on the education sector, especially during the first two years of implementation, including the reduction in the number of new teachers hired due to tight fiscal context, with direct effects in the learning conditions due to high pupil to teacher ratio. Also, the economic slowdown tends to affect students' enrollment and retention, with less students in the system due to higher financial constraints of the families. Although the Government is implementing measures to mitigate the macroeconomic impact, the macroeconomic risk is rated High.

109. **Risks related to sector strategies and policies are rated Substantial.** The project will finance activities contributing directly to the priorities identified in the new ESP 2020–29, which was prepared within a consultative process and gained broad support both within the education sector and from other related areas of the Government. Despite this broad support of the ESP to which the project aligns, there are other risks related to ongoing education reforms, which could not develop as currently envisioned, such as the expansion at the national level of the new preservice teacher training model or the reforms to the way teachers and school principals are selected and promoted. Also, the impact of COVID-19 on the sector might need adjusting priorities in the short term and may increase difficulty of ongoing reforms. Although the success of the project does not directly depend on these reforms, they could complement and enhance the sustainability of the impact of the project. The implementation of the ECD component will be affected by how the institutional framework of this subsystem is structured and how responsibilities are allocated between MINEDH and MGCAS. A close coordination between these two ministries, and between each of them and the Ministry of Health (for the nutrition component), will be key for the ECD activities of the project. To mitigate these risks, the project team is providing support to MINEDH in the organization of workshops and discussions involving all relevant stakeholders to work on the institutional framework, and to ensure ownership, alignment, and effective mechanisms to coordinate. The interventions of the project have been adjusted for the potential COVID-19 impact on the sector and to ensure that synergies of activities currently being implemented with the project's intervention are considered. Despite these mitigation measures, the risks related to the sector are considered Substantial.

110. **The technical design risk is rated Substantial.** The nature of interventions proposed in the project will require multisectoral coordination and coordination of different areas within MINEDH, at the central and local levels. The early literacy activities, for example, require that an integrated package of interventions be implemented in a coordinated way at the school level, including teacher training, learning and teaching materials, ZIP pedagogic support, monitoring and supervision from the districts, and others. Some activities will also require coordinated efforts from all stakeholders, including local communities, teachers' associations, higher education institutions, cooperating partners, and civil society. The design of each component and subcomponent includes mitigation measures and resources to facilitate the needed coordination. Overall, the activities are aimed at a few key objectives, well identified and implementable within the timeline of the project. Despite the mitigation measures considered in the design of the project, expected outcomes are ambitious (yet feasible,) and the risk is considered Substantial.

[46] Mozambique Post-Disaster National Assessment (PDNA; 2019).

111. **The institutional capacity risk for implementation is rated Substantial.** MINEDH has long experience in implementing World Bank and GPE projects. Yet, the limited capacity of several main stakeholders at lower layers of the Government structure increases implementation challenges. To mitigate these risks, and based on lessons learned of the previous project, this project includes some changes in the implementation arrangement, including the IST with representatives at the central and local level. While the main implementation responsibility will be with MINEDH's main directorates and departments, the IST will help to identify institutional capacity needs and implement measures to address them, including coaching or coordinating further technical assistance within the project or with FASE financed activities. The IST will be important to ensure key capacities at MINEDH are guaranteed, such as safeguards and GBV expertise. Despite these mitigation measures, the institutional capacity risk for implementation is rated Substantial.

112. **The fiduciary risk is Substantial**. Although MINEDH has been implementing projects of similar complexity for many years through the previous World Bank and GPE project and FASE, many interventions will be implemented in a decentralized manner. To mitigate this risk, MINEDH has hired and trained qualified staff to support procurement and FM at the central level. This staff will provide needed support to their counterparts at the local level. Nevertheless, the residual fiduciary risk is considered Substantial.

113. **The environmental and social risks are currently considered Substantial.** The project will follow the new Environmental and Social Framework (ESF). Although MINEDH technical staff received training, additional support will be required. MINEDH has limited capacity and experience in monitoring GBV risks. To mitigate this risk and help develop capacity at MINEDH, during the implementation of the project, the IST will receive support of a GBV/gender specialist and an environmental safeguards specialist. Despite these mitigation measures, the environmental and social risks are rated Substantial.

114. **Stakeholders risk is Moderate.** The activities of the project will contribute to the overall implementation of the ESP 2020–29, complementing support from other cooperating partners and civil society organizations. The education sector dialogue involves several stakeholders, who participate very actively and support MINEDH in its efforts to make progress to achieve the prioritized goals. The implementation of these activities will include mitigating measures such as broad and continuous consultations during the different stages of the preparation of the project. Also, virtual earmarking (as described in the financial management mechanism) will link activities with the project's outcomes. Although the activities of the project do not directly depend on other donors' support to be completed successfully, the mutual support of the project and the donor to the ESP are expected to enhance the overall results for key activities aimed at transforming the sector. Therefore, some degree of interdependence is embedded in the design. However, the stakeholders' risk is considered Moderate.

Table 3 Summary of Risks and Mitigation Measures

Risk factors/Description of Risk	Risk Rating	Mitigating Measures Incorporated into the Project Design	Residual Risk Rating
Political and Governance: A new Government has been in place since January 2020. The country is embracing a decentralization process, which changes the way the Government operates at the provincial level.	H	To mitigate the risks of decentralization, the project is seeking ways to involve local representatives of the IST at the provincial level to create closer coordination with the district education authorities. The Project Implementation Manual will outline the details on the interaction between the central Ministry and decentralized institutions.	S

Risk factors/Description of Risk	Risk Rating	Mitigating Measures Incorporated into the Project Design	Residual Risk Rating
Macroeconomic: Since 2016 the country has been experiencing an economic downturn, which has been severely impacted by COVID-19. The full impact of COVID-19 has yet to be determined. Growth prospects for next three years are modest, which might come with a tight fiscal scenario, affecting the education sector in different ways, including in the number of new teachers hired and higher student dropouts because of families' financial constraints.	H	The Government is implementing measures to address the macroeconomic impact of COVID-19. While the project has no specific mitigation measures for the macroeconomic risks, the Project team will monitor this risk and be proactive in making the necessary adjustments to the project.	H
Sector strategies and policies: The project will finance activities contributing directly to the new ESP 2020–29. The implementation of the ESP will require a multisectoral approach and further capacity building, particularly for new areas such as the ECD agenda. Lack of clarity on division of roles and responsibilities in the management of this subsector could pose challenges to the project. The COVID-19 impact on the sector may require adjusting priorities in the short term.	H	The project has been adjusted to adapt to the potential impact of COVID-19. To mitigate the risks on the ECD subsystem, the project team is providing support to MINEDH in the organization of workshops and discussions involving all relevant stakeholders to work on the institutional framework, and to ensure ownership, alignment, and effective mechanisms to coordinate. Implementation of interventions in the conflict affected areas in the north will be adapted as needed working in close collaboration with UN agencies and organizations with expertise working in fragile contexts.	S
Technical Design: The nature of interventions proposed in the project will require multisectoral coordination and coordination of different areas within MINEDH, at the central and local levels. In addition, the focus in improving learning brings schools to the center of the operation, which is challenging considering the number of schools and geographical dispersion to be covered.	H	To mitigate these risks, the design of each component and subcomponent includes measures and resources to facilitate the needed coordination. Overall, the activities are aimed at few key objectives, well identified and implementable within the timeline of the project.	S
Institutional Capacity for Implementation: MINEDH has long experience in implementing World Bank and GPE projects. Yet, the limited capacity at lower layers of the Government structure increases implementation challenges.	H	To mitigate these risks, and based on lessons learned of the previous project, this project includes some changes in the implementation arrangement, including the IST with representatives at the central and local level. The IST will ensure that key capacities are in place before implementation, such as in safeguards and GBV. Also, this project will have a Project Implementation Manual, which facilitates the daily operations of the project. MINEDH staff at different levels will be trained on the project and usage of the Project Implementation Manual (PIM).	S
Fiduciary risks: Despite MINEDH's experience in implementing projects of similar complexity through the previous World Bank and GPE project and FASE, many interventions will be implemented at a decentralized level, where capacity is limited and affected by high turnover of staff.	H	To mitigate this risk, MINEDH has hired and trained qualified staff to support procurement and FM at central level. These staff will provide needed support to their counterparts at the local level.	S
Environmental and Social: The project will follow the new Environmental and Social Safeguards Framework (ESF) and although MINEDH technical staff received training, additional support will be required. Furthermore, MINEDH has limited capacity and experience in monitoring GBV risks at school level.	H	To mitigate this risk and help develop capacity at MINEDH, during the implementation of the project, the IST will receive the support of a GBV/gender specialist and an environmental safeguard.	S
Stakeholders: The activities of the project will contribute to the overall implementation of the ESP 2020–29, complementing support from other cooperating partners and civil society organizations. The proceeds of the project will be channeled through the pool fund. FASE and unpredictability of disbursements to the pool could affect project activities.	S	The implementation of these activities will include mitigating measures such as broad and continuous consultations during the different stages of the preparation and implementation of the project. Also, virtual earmarking (as described in the financial management mechanism) will link activities with the project's outcomes.	M
OVERALL PROJECT RISK	H		S

VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Mozambique

Improving Learning and Empowering Girls in Mozambique

Project Development Objectives(s)

Increase learning readiness and girls' retention in upper grades of basic education prioritizing underserved areas of Mozambique.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Learning							
Retention up to grade 3 among children benefiting from ECD interventions and literacy package in communities with low educational attainment (disaggregated by gender) (Percentage)		75.00	75.00	78.00	82.00	84.00	88.00
Retention up to grade 3 among girls benefiting from ECD interventions and literacy package in communities with low educational attainment (Percentage)		74.00	74.00	76.00	80.00	84.00	88.00
Literacy proficiency at grade 3 in schools implementing the		5.00	10.00	30.00	50.00	70.00	80.00

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
literacy package in communities with low educational attainment (disaggregated by gender) (Percentage)							
Literacy proficiency among girls at grade 3 in schools implementing the literacy package in communities with low educational attainment (Percentage)		5.00	10.00	30.00	50.00	70.00	80.00
Girls' retention in upper grades of basic education in upgraded schools (Percentage)		64.40	66.00	68.00	70.00	72.00	74.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Improving learning in primary education							
Additional functional ECD Centers (cumulative) (Number)		0.00	0.00	25.00	50.00	75.00	100.00
Proportion of community based pre-school facilitators receiving in-service training on the new curriculum (Percentage)		0.00	10.00	20.00	30.00	40.00	50.00
Primary schools using lessons		0.00	15.00	25.00	35.00	40.00	60.00

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
plans and with support of structured pedagogy (Percentage)							
Students with all subjects' textbooks in grades 1-3 (disaggregated by gender) (Percentage)	PBC 1	76.00	78.00	79.00	80.00	90.00	95.00
Girls with all subjects' textbooks in grades 1-3 (Percentage)		76.00	78.00	79.00	80.00	90.00	95.00
Students benefiting from direct interventions to enhance learning (CRI, Number)		0.00	3,080,000.00	3,290,000.00	3,480,000.00	3,750,000.00	3,835,000.00
Students benefiting from direct interventions to enhance learning - Female (CRI, Number)		0.00	1,677,000.00	1,770,000.00	1,900,000.00	1,950,000.00	1,950,000.00
Teachers recruited or trained (CRI, Number)		0.00	250.00	700.00	3,000.00	4,000.00	4,000.00
Number of teachers recruited (CRI, Number)		0.00					0.00
Teachers recruited or trained - Female (RMS requirement) (CRI, Number)		0.00	127.00	371.00	1,650.00	2,280.00	2,400.00
Number of teachers trained (CRI, Number)		0.00	250.00	700.00	3,000.00	4,000.00	4,000.00
Increasing access and retention of girls in upper primary and lower secondary education							
Basic Education teachers trained in GBV prevention (disaggregated by gender) (Percentage)		0.00	5.00	10.00	15.00	20.00	30.00

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
of which are female teachers (Percentage)		0.00	40.00	40.00	50.00	50.00	50.00
DL centers with equipment and technology (cumulative) (Number)		0.00	10.00	60.00	160.00	300.00	480.00
Additional primary schools upgraded to offer lower secondary with gender friendly WASH facilities (Cumulative) (Number)	PBC 2	0.00	30.00	80.00	150.00	250.00	335.00
Secondary schools with GBV addressing mechanism (Percentage)		0.00	10.00	20.00	40.00	70.00	90.00
Knowledge and information on sexual and reproductive health education among girls and boys in schools participating in the SRH education program (Text)		Not available.	Baseline study on knowledge and information about SRH among girls in schools mapped to implement the SRH program conducted.	Reduction in 5% of students without knowledge and information on SRH.	Reduction in 20% (cumulative) of students without knowledge and information on SRH.	Reduction in 35% (cumulative) of students without knowledge and information on SRH.	Reduction in 50% (cumulative) of students without knowledge and information on SRH.
Gender Based Violence risk factors identified and monitored (Text)		Not available.	Study on GBV and SEA risk factors in school completed .	Action plan for combating risk of GBV and SEA in schools developed, approved and funded.	Action plan for combating risk of GBV and SEA in schools implemented in at least 50 percent of the schools.	Action plan for combating risk of GBV and SEA in schools implemented in at least 70 percent of the schools.	Action plan for combating risk of GBV and SEA in schools implemented in at least 90 percent of the schools.
Percentage of primary female teachers in upgraded schools who comply with the requisites to teach in lower secondary provided with training (Text)		Not available.	Primary female teachers in schools to be upgraded who comply with the requirements to teach in secondary identified.	30 percent of primary female teachers in upgraded schools who comply with the requisites to teach in secondary provided with	50 percent (cumulative) of primary female teachers in upgraded schools who comply with the requisites to teach in secondary	80 percent (cumulative) of primary female teachers in upgraded schools who comply with the requisites to teach in secondary provided with	100 percent (cumulative) of primary female teachers in upgraded schools who comply with the requisites to teach in secondary provided with

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
				training.	provided with training.	training.	training.
Strengthening governance to improve efficiency and monitoring of education outcomes progress							
National Learning Assessment conducted every three years for basic education and results disseminated at all levels (Text)		NLA implemented in Primary Education (2013 and 2016); NLA in Lower Secondary Education to be stablished.	Instruments for the NLA in Primary Education (monolingual and bilingual) developed and tested.	NLA assessment in Primary Education (monolingual and bilingual education) implemented, and framework for NLA in secondary education approved and piloted to inform its implementation in 2023.	Primary Education NLA results report disaggregated by Province and Districts aproved and disseminated in schools. NLA in Lower Secondary Education Implemented.	Lower Secondary Education NLA results report disaggregated by Province and Districts approved and disseminated in schools.	Report documenting usage of the NLAs results in informing education policies, and providing lesson learned approved and disseminated at Provincial and District levels.
Share of teachers who reported receiving pedagogical guidance based on students' performance on the NLA and annual (Percentage)		0.00	10.00	20.00	40.00	50.00	60.00
Share of schools using report cards to inform parents and teachers on students' performance on the NLA and Annual School Census. (Percentage)		0.00	10.00	30.00	60.00	80.00	90.00
Share of eligible districts implementing Result-based financing scheme. (Percentage)		0.00	15.00	30.00	45.00	60.00	75.00
Reduced Teachers' absenteeism (Text)	PBC 3	Absenteeism is monitored though district supervision to schools and there is no system to assess absenteeism on an annual basis.	Teachers' absenteeism annual monitoring system developed.	Teachers' absenteeism annual monitoring system implemented at national level and baseline defined.	Teachers' absenteeism reduced at least 10 Percentage points.	Teachers' absenteeism reduced at least 10 Percentage points.	Teachers' absenteeism reduced at least 10 Percentage points.

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
MINEDH staff at all administrative levels trained on statistics collection, processing, and use for management (Number)		0.00	200.00	200.00	200.00	200.00	200.00
Project Management, Monitoring and Evaluation							
Project Monitoring Report, including lesson learned produced (Yes/No)		No	Yes	Yes	Yes	Yes	Yes
Level of satisfaction of upper primary and lower secondary female students with reporting mechanism (Citizen Engagement indicator and part of Grievance Redress Mechanism) (Yes/No)		No	Yes	Yes	Yes	Yes	Yes

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Retention up to grade 3 among children benefiting from ECD interventions and literacy package in communities with low educational attainment (disaggregated by gender)	This indicator monitors students retention up to grade 3 in communities with low education attainments and benefiting from the literacy program and ECD	Annual	EMIS	Annual School Census	MINEDH

	interventions. Results will be disaggregated by gender.				
Retention up to grade 3 among girls benefiting from ECD interventions and literacy package in communities with low educational attainment	This indicator monitors girls' retention up to grade 3 in communities with low education attainments and benefiting from the literacy program and ECD interventions.	Annual	EMIS	Annual School Census	MINEDH
Literacy proficiency at grade 3 in schools implementing the literacy package in communities with low educational attainment (disaggregated by gender)	The proposed program will be implemented in selected in schools with low educational attainment. This indicator will monitor literacy proficiency at grade 3 in schools benefiting from the literacy package in communities with low educational attainment (percentage disaggregated by gender).	Annual	MINEDHs supervision reports	Supevision	MINEDH
Literacy proficiency among girls at grade 3 in schools implementing the literacy package in communities with low educational attainment	This indicator will monitor literacy proficiency among girls at grade 3 in schools benefiting from the literacy package in communities with low educational attainment.	Annual	MINEDH's supervision reports	Supervision	MINEDH

Girls' retention in upper grades of basic education in upgraded schools	This indicator monitors the transition of girls from primary to lower secondary education in upgraded schools.	Annual	EMIS	Annual School Census	MINEDH

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Additional functional ECD Centers (cumulative)	This indicator monitors the introduction of new ECD centers as result of the Project.	Annual	Monitoring Reports from the Ministry of Gender, Children and Social Action (MGCAS)	Administrative data.	MGCAS
Proportion of community based pre-school facilitators receiving in-service training on the new curriculum	This indicators monitors the training of ECD facilitators in public and private institutions on the National Curriculum.	Annual	MGCAS and MINEDH joint report.	ECD centers annual census	MGCAS
Primary schools using lessons plans and with support of structured pedagogy	This indicator monitors the implementation of an integrated literacy program aiming at improving reading in early grades. The program includes the use of structured lesson plans and pedagogy for teachers	Annual	District Supervision Reports	Compilation of District Supervision reports of the use of lesson plans and implementation of structured pedagogy in schools.	DGGQ, MINEDH

	working with grades 1-3 students.				
Students with all subjects' textbooks in grades 1-3 (disaggregated by gender)	This indicator monitors the actual access to textbooks by students in grades 1 to 3.	Annual	EMIS	Annual School Census.	MINEDH
Girls with all subjects' textbooks in grades 1-3	This indicator monitors the actual access to textbooks by girls in grades 1 to 3	Annual	EMIS	Annual School Census	MINEDH
Students benefiting from direct interventions to enhance learning		Annual	EMIS	Annual School Census	MINEDH
Students benefiting from direct interventions to enhance learning - Female		Annual	EMIS	Annual School Census	MINEDH
Teachers recruited or trained		Annual (non cumulative)	MINEDH Supervision Reports	Supervision	MINEDH
Number of teachers recruited					
Teachers recruited or trained - Female (RMS requirement)		Number of female teachers grades 1-3 receiving coaching per year	MINEDH Supervision Reports	Supervision	MINEDH
Number of teachers trained		Annual (non cumulative)	MINEDH Supervision Reports	Supervision	MINEDH

Basic Education teachers trained in GBV prevention (disaggregated by gender)	This Indicators measures the progress in training of primary and lower secondary teachers on GBV prevention as part of their on the job training.	Annual	MINEDH annual report	EMIS	MINEDH
of which are female teachers	This indicator measures the share of female primary and lower secondary teachers receiving training on GBV prevention as part of their on-the-job training.	Annual	MINEDH supervision reports	Supervision	MINEDH
DL centers with equipment and technology (cumulative)	This indicator monitors the expansion of DL centers with technology for teaching and learning.	Annual	MINEDH annual report	EMIS data.	MINEDH
Additional primary schools upgraded to offer lower secondary with gender friendly WASH facilities (Cumulative)	This indicator monitors the progression in the upgrading of primary schools into basic schools (grades 1-9).	Annual	MINEDH annual report	EMIS	MINEDH
Secondary schools with GBV addressing mechanism	This indicator monitors progress in the implementation of mechanisms to address GBV in primary and secondary schools. The targets are defined as the number of primary and secondary schools with implementing mechanism to address GVB	Annual	MINEDH annual monitoring report.	Supervision.	MINEDH.

	divided by the number of schools in these two levels.				
Knowledge and information on sexual and reproductive health education among girls and boys in schools participating in the SRH education program	This indicator monitors the effectiveness of the Sexual and Reproduction Health education program in beneficiary schools. The indicator will track the proportion of girls and boys with knowledge and information on SRH through the project duration.	Annual	Independent Survey Report	Data will be collected through a rapid survey conducted by a third party and targeting girls and boys in schools implementing the SRH program.	MINEDH through a third party.
Gender Based Violence risk factors identified and monitored	This indicator monitors the consolidation of mechanism to monitor and mitigate GBV at school, including the identification of risk factors, monitoring of risks, and implementation of activities aiming for prevention and mitigation of GBV risks.	Annual	MINEDH annual report	Supervision to schools.	MINEDH
Percentage of primary female teachers in upgraded schools who comply with the requisites to teach in lower secondary provided with training	This indicator monitors progress in training of female teachers working in primary schools benefiting from the upgrading who qualify to teach in lower secondary.	Annual		MINEDH's HR database	MINEDH
National Learning Assessment conducted every three years for basic education and results disseminated at all levels					

Share of teachers who reported receiving pedagogical guidance based on students' performance on the NLA and annual	This indicator monitors the dissemination of NLAs results to improvements in teaching practices among teachers. The targets include both primary and secondary education teachers.	Every three years, following the implement ation of the NLAs.	MINEDH annual supervision report.	data collected through district supervision to schools.	MINEDH
Share of schools using report cards to inform parents and teachers on students' performance on the NLA and Annual School Census.	This indicator monitors the dissemination and use of statistics and NLA results within the school communities, including with parents and schools councils.	Annual	MINEDH annual supervision report.		
Share of eligible districts implementing Result-based financing scheme.	This indicator monitors the implementation of a results based financing mechanism at district level to improve teachers allocation within the districts.	Annual	MINEDH supervision report.	Data collected through supervision.	MINEDH
Reduced Teachers' absenteeism	This PBC monitors the consolidation of the monitoring mechanism of teachers' presence at school. This will include the implementation of a system to monitor absenteeism on annual basis and targets on reducing it.	Annual	MINEDH supervision and IVA reports.	MINEDH annual supervision process.	DIPLAC
MINEDH staff at all administrative levels trained on statistics collection, processing,	This indicator monitors the capacity building on the use	Annual	MINEDH supervision	Supervision.	MINEDH

and use for management	of statistics in the education sector from the central ministry up to schools. Due to high turn over of staff, particularly at decentralized level, the project will aim at training 200 staff every year.		report.		
Project Monitoring Report, including lesson learned produced	This indicator monitors the documentation of the projects results and lesson learned throughout the implementation. Lessons learned are key to inform adjustments to the project as needed.	Annual	MINEDH	Compilation of supervision reports, assessments and evaluations done.	DIPLAC
Level of satisfaction of upper primary and lower secondary female students with reporting mechanism (Citizen Engagement indicator and part of Grievance Redress Mechanism)	Phone based/on-line satisfaction survey designed and implemented to assess the overall satisfaction of upper primary and lower secondary female students. The survey will measure student's opinions towards the safety, ethics and referral pathways available to them through the GRM. Survey results will be disseminated to the school-councils and parents to raise awareness about the issue and mechanisms available. The referral pathways and	Annual	Third-party verification annual report	Student satisfaction phone based/on-line survey by an independent third party.	MINEDH through an independent third party

	GRM will be assessed annually and changes introduced based on feedback received from the female students.				

Performance-Based Conditions Matrix

PBC 1	Increased proportion of Grades 1 to 3 students with individual textbooks nationally			
Type of PBC	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Outcome	Yes	Text	10,000,000.00	0.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	70%.			
2021	MINEDH's Advisory Council has approved a Textbooks Distribution, Tracking, Management and Inventory System (TDTMIS).		1,000,000.00	US$1 million or US$0.5 million if TDTMIS is designed.
2022	MINEDH has implemented the Textbooks Distribution, Tracking, Management and Inventory System implemented in all primary schools.		3,000,000.00	US$3 million or US$1.5 million if TDTMIS implemented in at least 50% of primary schools and pro-rated amount for additional schools.
2023	At least 80% of all primary schools nationally have achieved a 1:1 textbook to student ratio for grades 1 to 3.		3,000,000.00	US$3 million or US$1.5 million if at least 75% of primary schools have achieved a 1:1 textbook to student ratio for grades 1 to 3.

2024	At least 90% of all primary schools nationally have achieved a 1:1 textbook to student ratio for grades 1 to 3.	3,000,000.00	US$3 million or US$1.5 million if at least 85% of primary schools have achieved a 1:1 textbook to student ratio for grades 1 to 3.

PBC 2	Increased retention of girls in upper primary and lower secondary in the selected upgraded schools located in districts where girls' GER is below 60 percent.			
Type of PBC	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Outcome	Yes	Text	23,000,000.00	0.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	Zero			
2021	MINEDH has upgraded 30 primary schools to teach lower secondary and to include adequate gender friendly WASH facilities, in districts where girls' gross enrollment rate is below 60 percent.		5,000,000.00	US$5 million or US$0.167 million per school upgraded to teach lower secondary, with a minimum threshold of 5 schools.
2022	MINEDH has upgraded 40 primary schools additional to those counted under PBC2.1, to teach lower secondary; and to include adequate gender friendly WASH facilities, in districts where girls' gross enrollment rate is below 60 percent.		6,500,000.00	US$6.5 million or US$0.162 million per school upgraded to teach lower secondary, with a minimum threshold of 20 schools.
2023	MINEDH has upgraded 40 primary schools additional to those counted under PBC2.1 and PBC2.2, to teach lower secondary; and to include adequate gender friendly WASH facilities, in districts where girls' gross enrollment rate is below 60 percent.		6,500,000.00	US$6.5 million or US$0.162 million per school upgraded to teach lower secondary, with a minimum threshold of 20 schools.

2024	Retention of girls in lower secondary has increased by 10 percentage points (relative to the value calculated in Year 2 of the project) in upgraded schools in districts where girls' gross enrollment rate is below 60 percent.	5,000,000.00	US$5 M or US$0.5 M per p.p. increase in retention of girls in lower sec. in upgraded schools in districts where girls' GER below 60%

PBC 3	Reduced teachers' absenteeism in primary schools at national level			
Type of PBC	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Outcome	Yes	Text	9,000,000.00	0.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	Absenteeism is monitored though district supervision to schools and there is no system to assess absenteeism on an annual basis.			
2021	MINEDH has designed a teachers' absenteeism annual monitoring mechanism.		500,000.00	US$0.5 million
2022	MINEDH has implemented at national level a teachers' absenteeism annual monitoring mechanism and defined a baseline.		1,500,000.00	US$1.5 million
2023	Teachers’ absenteeism in primary schools nationally has reduced by 10 percentage points as against the baseline defined in PBC3.2.		3,000,000.00	US$3 M or US$1.5 M if at least a 5 pp reduction is achieved and US$0.3 M per pp decrease thereafter up to a ceiling of US$3 M.
2024	Teachers’ absenteeism in primary schools nationally has reduced by at least 10 percentage points as against the value of PBC3.3.		4,000,000.00	US$4 M or US$2 M if at least a 5 pp reduction is achieved and US$0.4 M per pp decrease thereafter up to a

			ceiling of US$4 M.

Verification Protocol Table: Performance-Based Conditions	
PBC 1	Increased proportion of Grades 1 to 3 students with individual textbooks nationally
Description	This PBC monitors access to textbooks by students in early grades. In the first two years the focus will be in monitoring improvements in textbooks distribution, tracking, management and inventory at school level. Then, finally some improvements in textbooks/students ratio are expected and will be monitored in years 3 and 4 of the project.
Data source/ Agency	MINEDH
Verification Entity	MINEDH, IVA
Procedure	MINEDH will present evidence on the achievement of the agreed results and the IVA will verify those on a sample basis as defined in the agreed Terms of Reference for the verification process. All targets are escalable and roll over. Verification will start once MINEDH notifies the IVA on the achievement of the results. Once verified, the IVA will produce a report documenting the achievements. The report will be validated by the GCC before submission to the Bank for processing.
PBC 2	Increased retention of girls in upper primary and lower secondary in the selected upgraded schools located in districts where girls' GER is below 60 percent.
Description	This PBC monitors the improvements in girls' retention rates in primary schools upgraded to basic schools (teaching from grade 1 to 9) with gender friendly WASH facilities in districts with girls GER lower than 60 percent in Mozambique.
Data source/ Agency	MINEDH
Verification Entity	IVA
Procedure	MINEDH will provide a list of primary schools to be upgraded to teach lower secondary, therefore becoming basic education schools (teaching grades 1 to 9) in districts where girls GER is below 60 percent (girls aged 6 to 14 years old). These districts are located in the North and Center of Mozambique. The upgrading will include gender friendly WASH facilities to facilitate girls' participation and retention in beneficiary schools. Therefore, in the fourth year of the project the target is the

	retention of girls. All targets are scalable and roll over. Once the result is achieved, MINEDH will notify the IVA to confirm that requirements have been met. The IVA will verify and document achievements. The GCC will review and validate the IVA report before it's submitted to the Bank for processing.
PBC 3	Reduced teachers' absenteeism in primary schools at national level
Description	This PBC monitors the consolidation of the monitoring of teachers presence at school. This will include the implementation of a system to monitor absenteeism on annual basis and targets on reducing it.
Data source/ Agency	Teachers's absenteeism annual assessment report/MINEDH
Verification Entity	IVA
Procedure	MINEDH shall provide evidence on the achievements of the agreed results under this PBC, including the development of a system for the annual monitoring of teachers absenteeism, which should representative at national level, and be independent. The PBC aims to ensure the implementation of the annual monitoring system and finally observe improvements in teachers absenteeism. The IVA will verify the implementation of the (independent) monitoring mechanism, and verify reports and evidences provided by MINEDH. Disbursements will be approved against reaching the agreed targets once verified. All targets are escalable and roll over.

ANNEX 1 Adjustment to the Country Program in Response to COVID-19

1. Impact of the COVID-19 pandemic on the country and government response

1. **The trajectory of COVID-19 in Mozambique:** Mozambique registered its first case on March 22, 2020. As of January 24, 2021 the number of people tested stands at 324,868, of which 32,418 (10 percent) percent have tested positive. Of grave concern has been the high increase in the rate of new positive tests which reached between above 40 percent over the period of January 10 to January 27, 2021. Over this two-week period, 10,479 people tested positive– a four-fold increase over the previous peak since the first case was diagnosed. This has been linked to the relaxation of the COVID-19 preventive measures over the festive season, when people disrespected the rules on social distancing, on avoiding crowds, and on wearing masks. All 10 provinces in Mozambique have seen cases, with most cases centred around Maputo city (59.3 percent) and major cities.

2. **Although hospitalizations (1,388) and mortality (305) (as of January 24, 2021) remain low, rates for both have recently been increasing.** According to the National Institute of Health (*Instituto Nacional de Saúde - INS)* Mozambique has currently one of the fastest reproduction rates in Africa. After an initial and relatively flat peak in September 2020, Mozambique is, as of January 2021, in the midst of a second and much sharper peak, which for now shows no signs of abating.

3. **Transmission Channels:** The Mozambican economy faces significant repercussions of the COVID-19 pandemic, eliminating hopes of a growth recovery following Tropical Cyclones Idai and Kenneth in 2019. Spillovers from the global economic downturn and restrictions to domestic movement affected economic activity most notably through the following transmission channels:

    i. Trade. Reduced global demand and lower commodity prices resulted in a decline in goods exports of 26 percent in the first ten months of 2020 (year-on-year). This mainly reflects: (i) the concentration of Mozambique's export markets (together, the European Union, South Africa and India accounted for almost two thirds of exports in 2019), and (ii) the country's reliance on commodities (coal and aluminum account for 60 percent of overall exports). Coal exports are particularly vulnerable as steel producers across the world cut production due to lower demand, and stock piling becomes unsustainable. Supply chains for Mozambique's imports are also expected to be affected, particularly as mobility restrictions remain in place in neighboring South Africa, as well as other key import markets such as China.

    ii. Investments in the extractives industry. Lower oil prices are affecting investments in the LNG industry. Two out of three LNG projects that were in development are proceeding, but the third, which was still at pre-final investment decision stage has been postponed. Expected investments in the coal industry have also been delayed due to lower prices and global demand and LNG project financing flows are set to narrow. Overall, the extractives industry is expected to have contracted by 12 percent in 2020, having already seen a negative growth of 1 percent in 2019.

    iii. Social distancing and travel restrictions. Accounting together for almost a quarter of Mozambique's economic output, the hospitality, transport, retail and real-estate sectors have

felt the brunt of lower domestic and external demand. Reduced movement, especially in urban areas, and the drop in international travel is already evident in short term private sector activity indicators such as Purchasing Manager's Index (PMI), which fell to a historic low in July 2020. Some improvement has been recorded in business sentiment during the last months of 2020 with the PMI recovering steadily, reflecting the partial relaxation of COVID-19 containment measures. Private services output contracted by 3 and 5 percent in the second and third quarters of 2020, respectively, owing to lockdown measures and supply disruptions.

4. But the impact of the pandemic has been broader than indicated by the growth outlook, which relies to a large extent on the contributions of LNG investments to the economy. The expected poverty impact of COVID-19 is significant as jobs and income opportunities, especially for urban and peri-urban population, and for women, decline. The impact on jobs has been significant. Preliminary results from a rapid phone survey amongst the urban population suggest that, by June 2020, roughly 24 percent of interviewed individuals working prior to the outbreak were no longer employed. Many citied the closure of business in response to the pandemic as the cause. Moreover, over 60 percent of interviewed households indicated that revenues from family-owned business have declined when compared to same period of 2019. However, by December 2020, there was a slight recovery in employment, reflecting the relaxation of confinement measures. The percentage of interviewed individuals working prior to the outbreak and who were no longer employed had declined to 11 percent.

5. **Reduced short-term growth prospects of Mozambique.** In 2020, Mozambique is expected to experience its first economic contraction in nearly three decades as external demand falls, domestic lockdown measures disrupt supply chains and depress domestic demand, and LNG investments are delayed. Real GDP is projected to have declined by 0.8 percent in 2020, compared to a pre-COVID estimate of 4.3 percent, with significant downside risks. Growth is projected to recover in the medium term assuming a rebound in global demand, additional stimulus from LNG projects, and the roll-out of a COVID-19 vaccine in 2021. Recovery is anticipated to begin in 2021, albeit from a low base, with growth expected to reach 4.4 percent in 2022. However, much depends on the path of the pandemic and the outlook is subject to significant downside risks. Downside risks include rising COVID cases and escalation of insurgency in the North which could pose additional challenges for the development of LNG facilities. Mozambique is also expected to experience large external and fiscal financing gaps in 2020 and 2021 in a context characterized by exposure to external shocks and limited fiscal space.

6. **Primary deficit widening.** The primary deficit is expected to widen to 4.9 percent of GDP in 2020, up from a pre-COVID-19 forecast of 1.1 percent, reflecting lower revenue collection and an increase in COVID-19-related spending in the second half of the year. Revenue collection declined as demand declines and COVID-19 tax relief measures for firms take effect. On the expenditure side, implementation of COVID-response measures, estimated at 2.2 percent of GDP, pushed total spending to 33 percent of GDP, from 30 percent in 2019. Overall, the COVID-19 shock is expected to contribute to a fiscal gap of 3.6 and 2.5 percent of GDP in 2020 and 2021. The risks to this outlook are on the downside since a more prolonged crisis could add further fiscal pressures. This occurs in an already constrained fiscal context characterized by low revenue collection, a high public debt burden and a growing wage bill, affording little fiscal space for Mozambique to confront these costs. To help close the fiscal gap, Mozambique is relying on the bilateral debt relief initiative, donor budget support, and draw-down of saving from past capital gains receipts. The GoM

continued to protect priority social expenditures despite the significant budgetary pressures from the global pandemic.

7. **Falling back into poverty.** Moreover, a sizeable number of Mozambicans will fall back into poverty as a result of the pandemic. Given the depth of the COVID-19 crisis, Mozambique's already difficult poverty situation is expected to be aggravated further. It is likely that livelihoods, food security and nutrition will worsen as incomes are affected by the slowdown in economy activity. The negative impacts on income are expected to be felt relatively more in urban and peri-urban areas where social distancing measures and business closures are having most effect. As such, the pandemic is expected to predominantly affect poor populations in these areas, impacting their sources of income from informal work and self-employment. Mozambique's urban poverty rate is estimated to increase from 29 to at least 31 percent in 2020, pushing an additional 250,000-300,000 urban people into poverty on account of employment and income losses, price increases and a deterioration of public services.

8. Simulations of the potential short-term effects of the ongoing COVID-19 outbreak on employment and income hint at potentially high increases in poverty. As of 2020 (pre COVID-19), projected poverty rate was estimated to be 43.8 percent of the population (50.7 percent in rural areas and 29 percent in urban centers) and were expected to be the hardest hit by the outbreak through a drop in income, price effects and disruptions to service delivery. The negative impacts on income are expected to be felt relatively more in the urban economy where social distancing measures and business closures are most evident. Urban low-income households are particularly vulnerable since most earn their income through self-employment in the informal economy. A scenario that assumes a cumulative drop in consumption of 25 percent among households with at least one worker in the "at-most-risk" sectors would increase urban poverty by 6.7 percentage points (from 29 to 35.7 percent), corresponding to nearly 700,000 extra poor in addition to the 3,2 million urban individuals that already are in a condition of poverty. In rural areas, the same scenario would push up the rural poverty rate from 50.7 percent to 52.9 percent (2.2 percentage points), equivalent to nearly 450,000 extra poor individuals.[47]

9. **Exacerbating pre-existing factors of fragility and widen inequalities and imbalances across the country.** The spatial distribution of poverty is skewed – with poverty almost twice as high in rural as in urban centers - and growing inequality between rural and urban areas. The northern and central regions continue to lag the southern regions, with many more people being poor in Niassa (67 percent), Nampula (65 percent) and Zambezia (62 percent) than in Maputo province (12 percent) and Maputo city (4 percent), the two areas that have seen the largest decline in poverty rates in the past decade. The pandemic could widen these divides, heighten socioeconomic grievances, and sharpen the inequalities and sense of marginalization that have helped to underpin the escalating insurgency in the northern province of Cabo Delgado.

10. **Impact on education.** The COVID-19 pandemic created major challenges. Nearly 15,000 schools, 178,00 teachers, and over 8.5 million students at all levels of education were affected by school closures since March 2020 and is projected to result in significant losses in enrolment and learning, including the loss of 0.7 years of schooling adjusted for learning, bringing down the effective years of basic education that students achieve during their lifetime to 3.7 years; and 20 percent of the Mozambican children never returning to formal education. Exclusion and inequality will likely be exacerbated as already marginalized with vulnerable groups – girls, the poor, and persons with disabilities – more adversely affected by the

[47] Simulated poverty rates under different scenarios - 2020 (urban areas) (rural areas) Source: World Bank staff estimates

school closures. Even with schools reopening in 2021 as currently planned by the Government, Mozambique will need support to attract learners (especially adolescent girls) back to school, ensure a safe and sanitary environment in all schools, come up with remediating measures to catch up with a loss of learning, and continue strengthening distance learning to offer a more flexible modality for students not returning to schools that can be scalable and implemented quickly in the cases of emergency.

11. **Impact on health**. An important impact of COVID-19 on the health sector has been the high rate of infection among health staff. As of January 2021, 1,759 or 3 percent of the total workforce in the country, with 32 percent of those infected from Maputo city. Government has restricted attendance to clinical care for aged doctors and nurses to reduce the risk of infection. Overall, this translates in reduced availability of staff to deliver care, particularly in areas most hit by the pandemic putting additional burden on the health workforce, who are already overworked due to the general scarcity of health professionals, and whose levels of anxiety and fear are significant and requiring adequate measures to ensure their mental health and well-being. Another important impact is reduction in the provision of other essential services on account of resources being shifted to control the pandemic and manage cases, and on limited use of service by patients who fear being infected in health facilities. Between March and April 2020, the vaccination coverage was have reduced by 30 percent. Similarly, during the same period, a reduction in notification of tuberculosis (TB) cases was reported by the National TB Control Program. It is believed that patients with chronic conditions and those on Anti-Retroviral treatment may have not presented themselves for follow up regularly due to fear of COVID-19 infection or misunderstanding of messages on social distancing and avoidance of crowded spaces.

12. **Mozambique's debt is assessed to remain in distress, but sustainable in a forward-looking sense.** This assessment is unchanged relative to the last DSA. External and total public debt are projected at around 103 and 120 percent of GDP in 2020, respectively. While the distress rating is due to the unresolved arrears to Brazil, debt is deemed sustainable in a forward-looking sense considering that, to a large extent, future borrowing and government guarantees reflect state participation in the sizable LNG developments. Participation in the DSSI and its extension would provide debt service relief in 2020 and the first half of 2021, thus flattening the projected sharp deterioration in debt liquidity indicators due to the COVID-19 pandemic. Participation in the DSSI between October and December 2020 was estimated to have provided a relief amounting to 0.6 percent of GDP (or 2 percent of fiscal revenue). Debt service levels remain substantially high. External and public debt service-to-revenue ratios were projected at 13 and 48 percent, respectively, by the end of 2020. The authorities' strong commitment to implement fiscal consolidation and a prudent borrowing strategy and the coming on-stream of the LNG projects are expected to put public debt indicators on a downward trajectory over the medium term.

13. **Financing needs.** In order to respond to the potential effect of the pandemic, the Mozambique government elaborated a US$700 million plan to be funded by development partners and composed by health (prevention and treatment - US$ 100 million), budget support (US$200 million), social protection (US$240 million) and small businesses support (US$160 million) measures. As of December 2020, donor disbursements to Mozambique for COVID-19 totalled US$594.2 million (about 4 percent of GDP). Of this amount, US$309 million were from the International Monetary Fund, US$40 million from the African Development Bank, US$142 million from the World Bank, and the rest from other donors.

14. The financing needs in the social sectors are expected to be as follows: For Social Protection, donors have covered the first phase of COVID-19 cash transfer scheme costing US$79 million and which is, as of January 27, 50 percent disbursed. The cost of Phase 2 of cash transfers to finish payments to urban and peri urban beneficiaries is approximately US$140 million. Health financing needs, to cover gaps in the COVID-19 Preparedness and Response Plan (PRP) and its forward-look adjustment in the context of the second peak, and including the recently elaborated greater Maputo Response plan, is estimated at US$120 million.

15. An external financing gap of 6 percent of GDP is anticipated in 2020, which should be financed by donor budget support, debt service suspension (DSSI), and savings from past capital gains receipts and reserve drawdowns.

Government response

16. Since the global outbreak, Government has taken important steps to prevent and respond to a COVID-19 outbreak in Mozambique, including a declaration of a State of Emergency (SE) by the President first in April 1, 2020 that has been extended three times up to September 6, 2020. As of September 7, 2020, Mozambique has been in a State of Public Health Calamity (SPHC), with a red alert (which is used in cases where there is an elevated threat that could turn into a public disaster). Key features of the SE and SPHC include:

17. The GoM initiated its response program at an early stage of the global pandemic in recognition of the severe impact that the COVID-19 crisis could have on lives and livelihoods. The GoM's response to date has sought to save lives through measures to limit the spread of the virus amongst the population, a public health response program to test and treat patients, and by ensuring continued access to water to promote sanitization. The authorities are also protecting livelihoods by widening access to social safety nets and providing support to firms and the banking sector.

18. Mozambique initiated a state of emergency and commenced implementing measures to limit the spread of the virus when the number of confirmed cases was still below ten. The Authorities started taking steps to limit contagion in March 2020 and instated a state of emergency from April 1 to June 29, 2020, that has been extended three times up to September 6, 2020. As of September 7, 2020, Mozambique has been in a SPHC, with a red alert (which is used in cases where there is an elevated threat that could turn into a public disaster). Measures include a ban on all public gatherings, the closure of all schools and universities, passenger limits on public transport and the requirement to wear masks in public places. Entertainment venues have been closed whilst shops, markets and restaurants are required to comply with social distancing rules. Several borders with neighboring Eswatini and South Africa are closed, although the main trade route, Ressano Garcia, remains open for goods, supplies and cargo. All international passenger flights, to and from Mozambique, were suspended in May 2020. As of September 15, 2020, Mozambique's air space has reopened on a reciprocal basis with six countries offering flights to the country (Portugal, Turkey, Qatar, Ethiopia, Kenya and South Africa). Mozambique has also restarted the issuance of entry visas and has set up an online platform for requests, with the aim of facilitating processing. Recent (January 2021) increase in cases in South Africa, Malawi and Zimbabwe are further impacting the subregion, with additional controls being put in place at borders as of early January 2021.

19. The health sector is implementing a COVID-19 response program that has quickly raised testing capacity and is increasing access to medicines and equipment, whilst improving treatment capacity. The health

authorities established multiple testing centers in the capital (where the first cases were detected) and is creating testing facilities in other parts of the country. Efforts are being made to trace and test contacts of confirmed cases to limit the spread of the virus. Treatment facilities have also been improved and a public communication campaign has been launched to provide health advice and regular updates on testing levels/ confirmed cases. To complement the health sector response, the authorities introduced measures to ensure continued access to water, irrespective of bill payment status, and reduced water cost for low income groups to promote good hygiene practices. The purchase of soap has been exempted from value added tax payment until the end of the year.

20. An expansion of social protection programs is underway to support the livelihoods of the most vulnerable amongst the population. This includes a significant expansion in urban areas where social distancing measures are having the largest impact on incomes. Overall, the number of beneficiaries is set to increase from 700,000 currently to 1,690,000 households. Innovations in the targeting program are being introduced to rapidly identify beneficiaries through spatial poverty mapping and to expedite access to transfers by using mobile money transfers.

21. The government's response also seeks to safeguard livelihoods by providing support to small and medium Enterprises (SMEs) and to ensure that the banking sector has sufficient liquidity to support the private sector. A set of fiscal measures are being implemented to support the private sector, especially small firms. Tax burden relief is being provided by postponing income and corporate tax payments due from small firms to 2021. A 10 percent reduction of the electricity tariff for commercial customers in the agriculture, hotel and restaurant services gives additional cash flow relief to sectors that are particularly severely hit. A temporary suspension of commissions on mobile money transfers and increased transaction limits will also benefit small and informal firms, 70 percent of whom use mobile money. This package is supplemented by a credit line for micro firms currently under preparation by the authorities. On the credit side, several measures have been taken. A negative COVID-19 result, performed in the country of origin in the 72 hours prior to travel, is a prerequisite for entry in the country, as well as a 10-day quarantine period followed by an additional test.

22. The Central Bank eased lending reference rates and facilitated access of importers to forex loans. It has also taken steps to increase liquidity by lowering reserve requirements for forex and local currency loans by providing a US$500 million credit line to the banking sector. Furthermore, the Central Bank has relaxed prudential requirements for loan restructuring for firms affected by COVID-19, before they become due, by waiving additional provisioning requirements.

Government measures to support households and firms during the COVID-19 crisis (as of mid-June 2020)

23. Health and sanitation measures include in particular:

• Simplification of import procedures for medicines and medical equipment.
• Increased surveillance, testing and case management capacity, including infection prevention and control measures in health facilities and laboratories.
• Initiation of protocol development for continuity of essential services.
• Public communication campaign for prevention and test/detection updates.
• Continued supply of water to households irrespective of payment status, delayed payment of water bills and

exemption of payment for low consumption users.

24. Social Protection measures include:
• Expansion of the number of beneficiaries of social protection programs from 700,000 to 1,690,000 households.
• Simplifying ID requirements for mobile money transfers to social protection beneficiaries.
• Establishing a fuel price stabilization fund and allocating savings to the COVID-19 response.
• Suspension of VAT on soap, oil and sugar until end 2020.
• Monitoring of market prices to curb opportunistic pricing.
• 10 percent reduction in electricity tariffs for businesses and 50 percent for low-income households during the state of emergency.

25. Measures to support firms include:

• Postponement of income and corporate tax payments for small firms (turnover less than MZN 2.5 million) until 2021.
• 10 percent reduction of electricity tariff for agricultural businesses, restaurants and hotels
• US$160 million credit line for micro businesses (in preparation).
• Suspension of mobile money commission fees and increase in mobile money transaction limits for three months.

26. Measures to support the financial sector include:

• Cut in the policy interest rate from 12.75 to 10.25 percent.
• Reduction of the reserve requirement for local currency from 13 to 11.5 percent and for foreign currency loans from 36 to 34.5 percent.
• US$500 million forex credit line to commercial banks.
• Removal of specific provisioning requirements for forex lending to importers.
• Facilitating the restructuring of credits for Covid-19 affected firms if needed, before payments become due.
• Temporary requirement to convert 30 percent of export proceeds to local currency

2. WBG support for responding to the crisis

27. **This operation is part of an adjusted CPF program to help Mozambique manage and respond to the COVID-19 crisis.** The COVID response is articulated as follows: The health response under Pillar 1 draws on US$40 million mobilized through CERC activations as well as US$4.5 million drawn from other health sector operations and US$2 million of new Pandemic Emergency Facility (PEF) funding to be disbursed through United Nations partners (United Nations Population Fund, World Food Programme, United Nations Children's Fund, and World Health Organization). Additionally, a U$S100million Vaccine project, the M*ozambique COVID-19 Strategic Preparedness and Response Project (P175884)* under preparation will provide support for COVID-19 Vaccines procurements and delivery. Under Pillar 2, the World Bank response includes US$53.5 million to support phase one of cash transfers to the poorest and most affected households; US$3.6 million to support the water utility, FIPAG, to operationalize relief measures for the water sector; and US$15 million to support water supply and sanitation improvements for safe return to schools. Under Pillar 3, US$8.9 million under the Integrated Landscape Management Portfolio are

supporting agribusiness, conservation areas, and smallholder farmers. The Power Efficiency and Reliability Improvement Project (P158249) is being restructured with savings achieved from the project to allocate US$30.6 million for the Government's electricity support program to support most vulnerable customers and also to ensure for hospital and educational centers to continue operating without further hurting the revenues of national electricity utility. Under Pillar 4, the Mozambique Urban Development and Decentralization Project (P163989) and the Maputo Urban Transformation Project (P171449), which were approved respectively in June and December 2020, are supporting municipalities in preparing and implementing their respective Municipal Action Plans for COVID-19 response to enhance municipal capacity to identify, monitor, and track infections and expand municipal services to assist the most vulnerable populations. In Maputo, which is at the epicenter of the COVID-19 crisis, the Urban Transformation Project will focus on rapid deployment of small-scale, low-cost, and scalable urban solutions to reduce COVID-19 community transmission in hotspot areas of the city. This will be combined with simple urban infrastructure investments that are labor intensive to help mitigate the economic impacts of COVID-19 in Maputo City, such as rehabilitation of open spaces, local roads, and alleys. Project resources diverted from ongoing projects to COVID-19 response will be replenished through additional financing operations that will be presented for Board of Executive Directors' approval in FY21.

Table A.1. World Bank COVID-19 Support

Areas of Intervention	**Cost**
	(US$, million)
Pillar 1: Saving Lives	
Health (incl *COVID-19 Strategic Preparedness and Response Project under preparation)*	144.5
-of which from PEF	*2.0*
Pillar 2: Protecting Poor and Vulnerable People	
Social protection	53.5
Water and sanitation	18.6
Education support	1.3
Pillar 3: Ensuring Sustainable Business Growth and Job Creation	
SME support	12.8
Electricity payment relief for social tariff and hospitals health and education public centers	20.0
Pillar 4: Strengthening Policies, Institutions and Investments for Rebuilding Better	
Policy reforms to mitigate impact and build resilience	100.0
Support to cities and municipalities	20.0
Total	**366.8**

3. Selectivity, Complementarity, Partnerships

28. The World Bank is coordinating closely with development partners on the overall COVID-19 response. The World Bank leads (along with WHO, UNICEF, USAID, and ProSaude) the health COVID-19 Core group

overseeing the overall coordination from the partner side. The World Bank also is a member of the Social Protection COVID-19 Technical Assistance Group (along with Sweden, UNICEF, ILO, WFP, and FCDO). Finally, the World Bank leads the Education COVID Response Group (along with UNICEF and MEPT).

29. The Work Bank support is also closely coordinated with development partners with regards to budget support: The International Monetary Fund (IMF), which approved an emergency support to Mozambique through an RCF operation on April 24, 2020. The RCF disbursement of US$309 million helps bolster foreign exchange reserves and, together with the World Bank's funds, close the fiscal financing gap. The World Bank Budget support also reinforce from the IMF's agreement with government on strict transparency and accountability measures regarding expenditures related to the COVID-19 response. The African Development Bank (AfDB) and European Union (EU) are also preparing budget support operations. AfDB's operation of US$40 million intends to support actions and reforms related to the health response, supporting businesses and employment with a focus on agriculture, and supporting social protection.

30. Finally, cooperation and articulation of donor response is being carried through via a high level crisis response group made up of the key donors (including AfDB, IMF, World Bank, Canada, UK , Ireland, US, EU and Netherlands) that meet on a monthly basis with top government officials (at the level of the Minister of Finance and other Ministers, or equivalent for sectoral issues) to take stock of development, highlight key priority issues for support by the donor community, and plan for follow up activities and coordination.

ANNEX 2 Implementation Arrangements and Support Plan

1. **MINEDH will be responsible for the implementation of the project through its different departments**. Subcomponent 1.1 will be implemented by the preschool division of the Department of Primary Education (DICIPE/DINEP) and the Department of Children, under MGCAS. Activities related to nutrition in this subcomponent will be coordinated with the Department of Nutrition and Health (DINUSE) within MINEDH and the Ministry of Health (MISAU). Subcomponent 1.2 will require the coordination of several units within MINEDH at the central level, including Department of Primary Education (DINEP), Department of Teacher Training (DNFP), INDE and Department of Quality Assurance (DNGQ). Subcomponent 2.1 will be implemented by the Department of Secondary Education (DINES), in coordination with DINEP, Department of School Infrastructures (DIEE), DNFP, and Department of Human Resources (DHR). Subcomponent 2.2 will be implemented by the DINES, in collaboration with the DNFP and INDE. Subcomponent 2.3 will be implemented by the DINUSE (Sexual and Reproductive Health Education Program) in coordination with MISAU, and by the Department of Cross-cutting Issues (DAT) for the GBV activities. Subcomponent 3.1 will be implemented by the Department of Statistics, and subcomponent 3.2 will be led by the DNGQ in coordination with the Department of Finance (DAF). The Directorate of Planning and Cooperation (DIPLAC) will be responsible for the coordination of the project implementation. At the local level, MINEDH will rely on existing structures, with a project staff in each province and a focal point at the District Services of Education, Youth, and Technology (SDEJT).

Table A2.1 Main Implementation Units within MINEDH

Component	Main Implementing Unit(s)
Component 1: Improving learning in primary education	
Subcomponent 1.1 Strengthening school readiness	DINEP/DICIPE (MGCAS, MISAU)
Subcomponent 1.2 Strengthening reading skills in primary education	DINEP, DNFP, INDE, DNGQ
Component 2: Increasing access and retention of girls in upper primary and lower secondary education	
Subcomponent 2.1 Facilitating access to upper primary and lower secondary for girls	DINES, DIEE, DNFP, DRH
Subcomponent 2.2 Strengthening the quality and expanding the scale of distance learning	DINES, INDE
Subcomponent 2.3 Promoting a safe and inclusive school environment for girls	DNS, DAT
Component 3: Strengthening governance to improve efficiency and monitoring of education outcomes progress	
Subcomponent 3.1 Strengthening capacity to collect and analyze data, including disaggregation by gender	DNE
Subcomponent 3.2 Implementing result-based financing to improve education outcomes	DNGQ, DAF
Component 4: Project management, monitoring and evaluation	DIPLAC

2. **An Implementation Support Team (IST) will be established to support DIPLAC in the project coordination and support to implementation.** MINEDH has long experience in implementing World Bank and GPE projects. The lessons learned from the previous project highlighted the need to strengthen

support to DIPLAC in the implementation of the project, coordinating activities, and coaching and supporting capacity building within MINEDH. Thus, for this project, DIPLAC will be assisted by an IST. One of the main roles of the IST will be to strengthen MINEDH's implementation capacity at both central and local levels, coaching and providing on-the-job training to MINEDH staff at the central and provincial level to strengthen implementation management skills and accelerate the implementation of the activities. The TOR of the IST members and the definite structure of the team will be finalized in discussions with the LEG and in coordination with the preparation of the new FASE MOU, which will establish adjustments to the operating mechanism of the fund. While the main features of FASE (especially those related to the financial mechanism and flow of funds) are not expected to change, discussions between MINEDH and FASE partners indicate the need to strengthen support to implement FASE activities and the need to harmonize technical assistance to MINEDH. As the project will be channeled through FASE, the IST will be aligned to the FASE operation design.

Implementation Support and Monitoring Plan

3. **The implementation support plan for the project is based on the previous experiences of the World Bank and GPE education projects in Mozambique and the nature of activities financed by the project.** It will also be guided by the FASE mechanism, with close coordination with FASE partners and the rest of the LEG. The mechanism currently comprises three main LEG meetings each year. The main annual sector performance assessment meeting (RAR) is usually held in March and chaired by the Minister of Education. The two other main meetings of the Extended Joint Coordination Group (GCC-Alargado) are usually held in September and December to discuss the budget execution and progress of activities, and the plan of activities for the following year. Several monthly meetings among cooperating partners and technical meetings of the education working groups are also organized to update the LEG about ongoing key issues and challenges of the sector.

4. **In addition to the main FASE mechanism, the World Bank's supervision includes biannual implementation support missions**, in which the progress of the activities of the project are reviewed with MINEDH, identifying critical issues and challenges, providing recommendations to address those challenges and agreeing on actions to be taken over the following six months. These missions include a review and update of FM, procurement, and environmental and safeguards issues. At the conclusion of each mission, an Aide Memoire is prepared to reflect the missions' findings.

5. **Missions are complemented by frequent technical meetings and field visits from the World Bank team and regular communication with DIPLAC and the implementation units within MINEDH.** The IST will provide support in ensuring updated information about the project progress, as well as key issues and challenges that need to be reported in between missions. Most of the World Bank team will be based in Maputo, including education specialists, FM specialists, and procurement and safeguards specialists.

6. **To monitor and assess the project's effectiveness, some of the interventions include impact evaluation (ECD subcomponent and literacy package,** through the *Aprender +* pilot evaluation) or beneficiaries' feedback surveys (SRH education program). Also, GBV risks factors will be measured and monitored throughout the project implementation. Finally, a mid-term evaluation will be conducted during the third year of implementation and will include further beneficiaries' feedback analysis to allow for course-correction measures, if needed.

Financial Management

7. An assessment was carried out in accordance with the Directives and Policy for IPF, the Bank Guidance on FM in World Bank IPF Operations issued on February 28, 2017, and Bank Guidance on IPF with Performance-Based Conditions (PBC) issued on January 29, 2020. The overall FM risk is Substantial due in part to country risk, capacity issues in the country, and the decentralized nature of the project.

8. **FM risk assessment and mitigation measures.** The results of the recent FM assessment are described in the FM section (Section IV. Project Appraisal Summary) of this document. The risks and mitigation measures are described in the table below (table A2.2).

Table A2.2 FM Risk Assessment and Mitigation Measures

Risk factors/Description of Risk	Risk Rating	Risk Mitigating Measures Incorporated into the Project Design	Conditions of Negotiations, Board or Effectiveness (Yes or No)	Residual Risk Rating
Inherent Risk:				
Country level: Shortage of human resources and limited capacities for key FM functions.	H	The GoM is committed to the implementation of additional reforms of the country's PFMs with support from the World Bank and other development partners.	No	S
Entity level: While the MINEDH has experience in handling World Bank-financed operation, the decentralized nature of the project may be a challenge for the Ministry due to low capacity at provincial and district level.	H	MINEDH has finance staff at the central level with skills and experience to handle the program and provide support to the provinces and districts. Training and coaching program to finance staff at provincial and district level are being implemented. The provincial internal audits units at the education sector will provide advice on the strengthening capacity at provincial level.	No	S
Project level: Project design is relatively complex since it involves activities at provinces and districts.	H	The project design includes a clearly defined funds flow, accountability and reporting procedures in the Project Implementation Manual (PIM). There will be continuous World Bank FM implementation support.	No	S
Control Risk:				
Budgeting: MINEDH may not be able to produce realistic and comprehensive budget due capacity constraint at provincial and district level.	S	The PIM including FM procedures will be developed. Government rules and regulation on budget preparation will be used. Core staff involved in the budget preparation will be trained. The Bank will review the draft budget as well the IFR and provide comments.	No	S

Risk factors/Description of Risk	Risk Rating	Risk Mitigating Measures Incorporated into the Project Design	Conditions of Negotiations, Board or Effectiveness (Yes or No)	Residual Risk Rating
Accounting: The accounting system may not generate reliable data to enable better monitoring of the project.	S	MINEDH has a good accounting system in place. The project accounting policies and procedures will be documented in the PIM.	No	S
Internal control: Noncompliance with key project internal control procedures could occur due to weak internal control environment and oversight mechanisms in the country. Payment for PBC and PBF may be made without clear confirmation of the result achieved.	H	The project will follow the procedures documented in the *Manual de Administração Financeira* (MAF), which has been designed to mitigate internal control risk, and those to be documented in the PIM. MINEDH has an internal audit unit at the central and provincial levels and these will review the operations of the projects. Regular supervision will be carried out by the World Bank. A third-party verification (independent verification agent) will be established to review the achievement of agreed results and indicators under agreed verification protocols before any payment can be made.	No	S
Funds flow: Delays may occur in the flow of funds and affect implementation of the project as the project will finance activities to be implemented by sector ministries that may delay submission of vouchers for payments of providers of goods and services. The failure by commercial banks to make payments in foreign currency may impact negatively implementation of project activities.	S	The disbursement arrangements will be documented in the PIM. A lower minimum threshold for the use of direct payments and reimbursement method of disbursement will be applied.	No	M
Financial reporting: Delay may be noted in the submission on time of project IFRs produced by MINEDH due to decentralized nature of the program.	S	MINEDH finance staff is capable of preparing financial reports for the program and providing support to the provinces. IFR and annual financial statements formats and contents will be similar to those in use by the education sector support program. The World Bank will provide support to ensure that required financial reports are produced on time.	No	M
Auditing: There may be delays in submission of audit reports.	S	MINEDH finance department has enough staff to prepare the project's financial statements on time. The project external auditors will be appointed within six months of the project effective date. An audit plan will be developed to capture the duties	No	M

Risk factors/Description of Risk	Risk Rating	Risk Mitigating Measures Incorporated into the Project Design	Conditions of Negotiations, Board or Effectiveness (Yes or No)	Residual Risk Rating
		and responsibilities of the AFAP and auditors, including the deadlines for each audit cycle.		
Governance and accountability: There is a possibility of corrupt practices, including bribes, abuse of administrative and political.	H	Project FM arrangements (including annually audit of project accounts and World Bank FM supervision comprising review of transactions and asset verification) are designed to mitigate the fiduciary risks in addition to the implementing agency's overall internal control systems. The project external auditors will be appointed within six months of the effective date.	No	S
OVERALL FM RISK	S			S

***Note*: H = Higher; S = Substantial; and M = Moderate**

9. **FM action plan**. To mitigate FM risks the following measures could be taken (table A2.3).

Table A2.3 FM Action Plan to Mitigate FM Risks

No.	Action	Responsibility	Completion date
1	Develop the Project Implementation Manual including FM procedures	MINEDH	By effectiveness
2	Appoint an independent verification agent	MINEDH	No later than four months after the project effective date
3	Appoint the project external auditors	MINEDH	No later than six months after the project effective date
4	Provide continuous training, coaching, and supervision of the finance staff at provincial and district levels	MINEDH	Throughout program implementation

10. **Budget preparation and monitoring.** Budget preparation and monitoring budget execution will follow national procedures and those to be documented in the PIM. Each fiscal year, the MINEDH will prepare an annual budget plan based on the Annual Work Plans (AWP) and the approved procurement plans. The AWP and budget plan are prepared for the education sector, including FASE funds to which this project contributes. However, the AWP and budget plan will clearly identify the eligible expenditures to be financed by this project, as the project funds will be earmarked to predefined expenditures. MINEDH will be responsible for producing variance analysis reports comparing planned with actual expenditures on a quarterly basis. These quarterly variance analysis reports will be part of the IFRs that will be submitted to the World Bank on a quarterly basis.

11. **Staffing.** MINEDH will be responsible for fiduciary aspects of the project. MINEDH finance department has staff with acceptable skills and experience to handle FM and disbursement matters of the World Bank-financed operations. The program staffing at central level is adequate. However, the training and coaching

to provincial and district staff should be offered continuously during the project implementation.

12. **Internal control.** Internal controls system and procedures of the project will be based on national procedures, defined in the *Manual de Administração Financeira* (MAF) and PIM. The finance and administrative procedures to be employed in the implementation of the program should be documented in the FM section of the PIM taking into account the procedures outlined in MAF. MINEDH has internal audit units at the central and provincial levels, and these units will support objectives through a review of the project operation, including the sector internal control systems. The project shall also be subject to the review of the General Inspectorate of Finance (IGF) within the Ministry of Economy and Finance. A copy of the report shall be submitted to the World Bank. At the same time, regular supervision through desk reviews and field visits (that include expenditures and asset reviews) will be carried out by the World Bank to ensure that the implementing agency is maintaining adequate systems of internal controls and key procedures are in compliance. The project will apply the World Bank's Guidelines on Preventing and Combating Fraud and Corruption, which require that MINEDH ensures preventive measures are in place and to report and investigate allegations of misconduct. However, the remedial actions will only apply to expenditures financed by the World Bank.

13. **Accounting.** MINEDH will account for all project funds, expenditures, and resources using the Government's integrated financial management information system (e-SISTAFE) used for most World Bank-financed operations in Mozambique portfolio. The project will follow e-SISTAFE's internal control procedures laid down in the government's financial management regulations. This will be completed by the existing accounting software used to produce financial reports required monitor and manage its program, and at same time meeting the cooperating partner requirements.

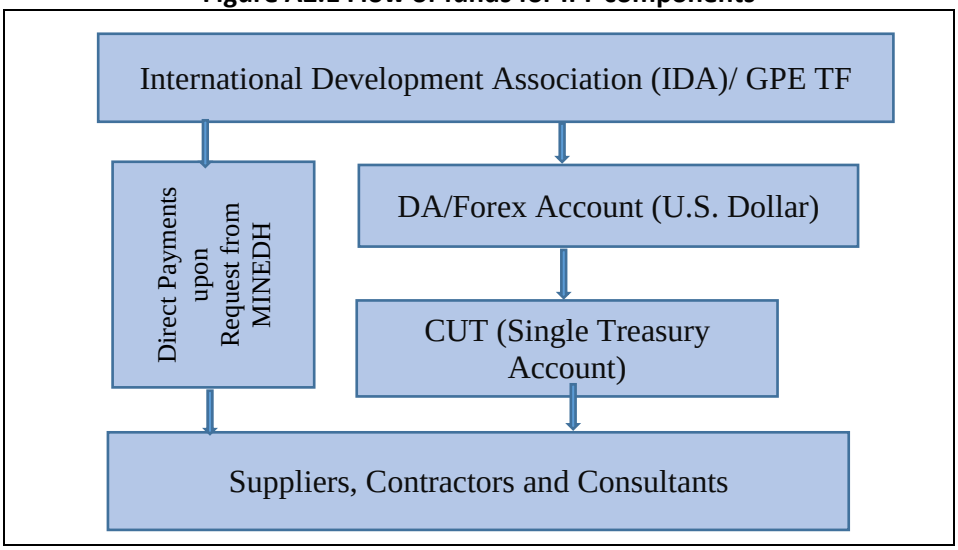
14. **Fraudulent activities.** Fraudulent activities with e-SISTAFE under a World Bank-financed operation, took place last year. The entity managing the e-SISTAFE, the Center for Development of Information Systems and Finance (CEDSIF) took measures to address the fraudulent activities, including additional control mechanisms, additional checks and strong collaboration with commercial banks. In addition, an IT audit is planned for the second semester of the current year.

15. **Financial reporting.** MINEDH will prepare quarterly IFRs for the project in the form and content satisfactory to the World Bank. The IFRs will be submitted to the World Bank within 60 days after the end of the quarter to which they relate. These IFRs will be prepared together with the pooled FASE funds. However, FASE IFRs will show funds from IDA-GPE (as well as expenditures incurred) disaggregated from the other FASE funds. At the end of each fiscal year, MINEDH will also produce the program financial statements for FASE, showing funds from IDA-GPE separated from the rest of the FASE funds and the incurred expenditures. The FM team of the World Bank worked with MINEDH to develop templates for the financial reporting, which can help ensure a clear disaggregation and tracking of this project's funds and expenditures.

16. **Disbursement and the flow of funds for IPF components.** The IDA and GPE funds will be deposited to the FASE pooled designated account, known as the Forex Account, in US dollars opened at the Bank of Mozambique (Central Bank). From the Forex Account funds will be transferred to the Single Treasury Account (CUT) based on requests from MINEDH. Payment of eligible project expenditures will be made from CUT to providers of goods and services. All payments to local suppliers and consultants will be made

strictly in local currency in compliance with Mozambique rules and regulations. The figure below shows the flow of funds mechanism for project activities. The identification of the project's activities and eligible expenditures during the AWP discussion and approval, and the financial reporting with the detail agreed with MINEDH according to preestablished templates, will allow tracking the use of the project's funds from the pooled account.

Figure A2.1 Flow of funds for IPF components



Disbursement arrangements

17. **Disbursement arrangements for IPF Components.** Disbursements of IDA and GPE would be report-based (based on IFRs). An initial advance will be made into the Forex Account upon the effectiveness of credit, based on the cash forecast to meet the project expenditure for the first two quarters. After every subsequent quarter, MINEDH will submit the IFRs. The cash requests at the reporting date will be the amount required for the forecast period as shown in the approved IFRs less the balances in the designated account at the end of the quarter. The option of disbursing the IDA and TF funds through direct payment, reimbursement, or special commitment will also be available. The disbursement guidelines for IPF (issued in February 2017) provide guidance on disbursement arrangements for financing provided or administered by the World Bank. In addition, the World Bank will issue the Disbursement and Financial Information Letter (DFIL) which will specify the additional instructions for withdrawal of the proceeds of the IPF.

18. **Disbursement arrangements under PBC component and verification protocols.** For IPF-PBC components, disbursements under the project will be made through advance to the Forex Account for expenditures as they are incurred (typically 6 months of anticipated project expenditures), and reimbursement method, upon achievement of targets defined by the agreed PBCs. Disbursement will be report-based and will include project eligible expenditure (EEP). The eligible expenditures for the three PBC include cost of acquisition of books, equipment, civil works for reclassification of the schools, consultant services, vehicles and motorbikes. The overall conclusion of the fiduciary review is that, despite some weaknesses that have been identified, the country PFM systems are adequate to provide reasonable assurance that the budget

lines (such as civil works, consultancies services, equipment and goods) for the EEP are currently appropriately managed. The confirmation that a PBC is achieved will be based on agreed verification protocols. Once the achievement of an indicator is verified, the Government through MINEDH can make a disbursement request. An independent verification agent will be engaged for the verification of the protocol, and MINEDH will be responsible for compiling all data, information and evidence of achieving the PBC. The documentation, including evidence of verification and the project eligible expenditures should be submitted to the World Bank to allow disbursement of agreed amounts. The contents and quality of verification will need to be satisfactory to the World Bank. Detailed procedures for the verification protocol, accounting, reporting and documentation of eligible expenditures will be outlined in the PIM.

19. **Auditing.** The administrative tribunal is mandated to audit all government funds, including donor-financed projects. However, the MOU signed between the government and FASE cooperating partners, including the World Bank, establishes that the project financial statement shall be audited by an independent audit private firm in accordance with international standards on auditing as issued by the International Auditing and Assurance Standards Board (IAASB) within International Federation of Accountants (IFAC). The audit report together with the management letter will be submitted to the World Bank within six months after the financial year-end (June 30) of each following fiscal year. The audit firm will also be required to issue a specific note on the PBCs; these requirements will be included in the audit TOR.

20. **FM dated covenants**
    - Appointment of independent verification agent within four months after project effective date and project external auditors within six months after project effective date.

21. **FM implementation support plan.** Based on the current overall residual FM risk of this operation, the project will be supervised at least twice a year. The FM implementation support will include field visits, desk-based reviews (review of IFR, progress reports prepared by the recipient), and remote support as needed.

Procurement

22. **Applicable procedures.** Procurement for the project will be carried out in accordance with the World Bank Procurement Regulations for Borrowers under Investment Project Financing, dated November 2020 (amended over time), and the provisions stipulated in the Financing Agreement. Further, the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006 (revised in January 2011 and July 2016) will apply**.**

23. **Procurement strategy.** MINEDH, through DAQUI, prepared a Project Procurement Strategy for Development (PPSD), with support from the World Bank. The PPSD reviews the key contracts to be financed by the Project, for the initial 18 months, and recommends the most suitable approach for MINEDH to implement a fit-for-purpose procurement, achieving value for money with efficiency. The PPSD also highlights the need to further strengthen the procurement team within MINEDH, particularly with the provision of qualified personnel in the selection of consultants and procurement of textbooks. As an outcome of the market review, there are no procurement that require special provisions for market engagement, nor there is procurement that is likely to require additional expertise, once the

recommendation to strengthen the team has been implemented. The PPSD also informs the initial procurement plan and DAQUI will create the activities in the Bank's Systematic Tracking of Exchanges in Procurement (STEP) system and initiate procurement implementation.

24. **Procurement arrangements.** The procurement team of MINEDH just completed the implementation of the ESSP (P125127), hence there is considerable experience with World Bank fiduciary requirements. MINEDH's procurement team has been strengthened recently by hiring a senior procurement specialist, who will lead the team and provide capacity building to MINEDH. The assessment carried out to MINEDH has concluded that there is adequate capacity in procurement to ensure that implementation will meet the required standards. The World Bank team will continue to also offer support to ensure adequate and timely implementation of activities and will leverage the use of technology while limitations are being imposed by COVID-19 to support MINEDH.

25. **Procedures for selection of consultants.** Quality and cost-based selection (QCBS) will be the main method for the selection of firms for assignments, such as design of in-service teacher training; impact evaluation of the education system; and assessment of teacher's competencies, among others, with more details in the PPSD under preparation. Occasionally, consulting services may be procured through Consultants Qualifications-based Selection (CQS) and Least-Cost Selection (LCS) procedures, whenever its complexity justifies the adoption of such methods in accordance with the PPSD. These methods were used during the selection of financial auditors and procurement auditors as well as the independent verification agents for the PBCs.

26. **Procedures for procurement of goods and non-consulting services.** Goods under the project will include computer equipment, servers and associated peripherical; re-printing of textbooks for grades 1 through 3 and teacher's guides; tablets; school furniture; equipment for classrooms laboratory equipment and consumables; and reading material for libraries, among others. Non-consulting services will be mainly for the provision of internet connectivity for distance learning centers. These will mainly be procured through Open Competitive Procedure (OCB), the Request for Bids (RFB), consistent with the Mozambique Procurement Regulation (Decree 5/2016 of March 8, 2016) and with the use of the Request for Quotations approaches (RFQ). The World Bank's Procurement Regulations will be adopted where recommended by the PPSD.

27. **Procedures for procurement of works.** Works will include interventions for the rehabilitation and expansion of primary schools and the construction of ECD centers. Procurement will be carried out through OCB, RFB, or using RFQ, consistent with the Mozambique Procurement Regulation (Decree 5/2016 of March 8, 2016).

28. **Use of technology.** With the limitations due to COVID-19 and with the aim of fostering competition, MINEDH will assess the use of virtual tools (such as Skype, Zoom, and WebEx) to increase the participation of bidders in bid opening and pre-bid meetings or site visits, and allow for the electronic submission (e-mail) of bids and proposals.

29. **Procurement implementation manual.** MINEDH prepared a procurement manual under the ESSP. The manual will be updated to incorporate the changes brought in by the World Bank's Procurement Regulations and will summarize the main procurement aspects applicable to the project. The manual will

be updated from time to time to incorporate lessons throughout the process of implementation.

30. **Procurement plan.** MINEDH has experience in the preparation and update of the procurement plan as well as the submission and monitoring through the World Bank's tracking system, STEP. The PPSD prepared by MINEDH will inform the procurement plan.

31. **Review by the World Bank of procurement decisions.** The table below indicates the initial values for prior review by the World Bank (table A2.4). All activities estimated to cost below these amounts shall be treated as post-review and will be reviewed by the World Bank during the implementation support missions under post-procurement review exercises. Direct contracting or single-source selection will be subject to prior review only for contracts estimated to cost more than the amounts indicated in table A2.4. The World Bank may, from time to time, review the amounts, based on the performance of the implementing agencies**.**

Table A2.4 Prior Review Thresholds

Procurement Type	Prior Review (US$)
Works	5,000,000
Goods and Non-consulting Services	1,500,000
Consultants (Firms)	500,000
Individual Consultants	200,000

32. **Assessment of national procedures.** The Mozambique Procurement Regulation, the Decree 5/2016 of March 8, has been assessed as required under the World Bank's Procurement Framework. The assessment indicated that the country's regulations are generally consistent with international best practice. There is adequate advertising in national media. Procurement is generally open to eligible firms from any country. The contract documents also have an appropriate allocation of responsibilities, risks, and liabilities. There is publication of contract award information in local newspapers of wide circulation. The national regulations do not preclude the World Bank from its rights to review procurement documentation and activities under the financing. Finally, there is an acceptable complaints mechanism and a maintenance of records of the procurement process.

33. However, the request for bids and request for proposals document should require that bidders and proposers submitting bids and proposals present a signed acceptance at the time of bidding. The signed acceptance would be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation, the World Bank's right to sanction and the right to inspection and audit.

34. With the incorporation of the above provision, the Mozambique Procurement Regulation will be acceptable to use under those procurements not subject to the World Bank's prior review, as per the thresholds indicated in table A2.4 or any updates indicated by the World Bank in the procurement plan that has been created in STEP**.**

35. **Capacity to implement.** While there is capacity to implement the proposed project, there are risks that

may impact implementation of the project**.** These are summarized below, including the proposed mitigation measures (table A2.5):

Table A2.5 Risks of Project Implementation

Risk Description	Risk Rating	Description of Mitigation	Residual Risk
Availability of qualified personnel to support procurement implementation	High	MINEDH has recruited qualified technical assistance to support the procurement function. This arrangement should be retained throughout the life of the project. The World Bank procurement team will work closely with MINEDDH to enhance the available capacity is adequate.	Substantial
Lengthy internal procurement reviewing process that may cause project implementation delays Country procedures for payments abroad and its effects on performance the procurement	Substantial	While these are portfolio wide issues, the adoption sound operational procedures for project implementation, with responsibilities and timelines requirements for procurement activities, will reduce the impact.	Moderate
Limited participation of foreign bidders due to COVID-19.	High	MINEDH will assess use of technology/on-line tools (pre-bid meetings, bid openings, bid submissions, negotiations) to minimize disruption due to the limitations imposed by COVID-19.	Substantial
Capacity to effectively and timely monitor contract implementation of works contract limited	High	MINEDH to ensure that adequate contract monitoring measures are in place, proportionate to the number of schools and ECD centers to be built, rehabilitated or expanded.	Substantial

36. **The overall procurement risk associated with the project is Substantial.**

ANNEX 3 Economic and Financial Analysis

1. **The economic and financial analysis for the project addresses three issues:** (a) the rationale behind the proposed interventions; (b) the major expected benefits and costs related to the project; and (c) the World Bank's value added. The main objectives of the project are to improve reading skills in early primary schools and increase girls' retention in basic education. It seeks to meet these objectives through three interventions. The first intervention includes enhancing teaching conditions, such as reducing pupil-to-teacher ratio, developing learning materials, promoting use of technology, and ensuring adequate infrastructure to help retain girls. Another intervention seeks to improve teaching capacity by providing teacher training, curriculum development and pedagogical support. The third intervention of the project is to increase resources management capacity by strengthening data collection and analysis capacity, consolidating the national learning assessment system, supporting better supervision, inspection and teacher allocation, and expanding and improving results-based incentives at the school and district levels. These activities are expected to lead to improved school readiness, student learning, girls' access to schools, retention and completion, and higher system efficiency.

Expected Benefits

2. **Low education outcomes are affecting Mozambique's economic productivity.** Mozambique's Human Capital Index (HCI) indicates that a child born today will only be 36 percent as productive by age 18, given the risks to poor health and education that prevail in the country. This is below the SSA average of 40 percent and far from the worldwide average of 57 percent.[48] One of the main components of the HCI is education. While children in Mozambique can expect to complete 7.4 years of school by age 18, when adjusted for quality of learning, this is only equivalent to 4.4 years. The HCI shows that the country is underinvesting in the future productivity of its citizens. Evidence shows that a one standard deviation from the mean in cognitive skills yields 0.17 to 0.22 proportional increases in wages, with better schooling leading to increased economic productivity.[49]

3. **Investing in ECD can lead to better schools and labor market outcomes.**[50] Data from the Programme for International Student Assessment (PISA) found that after controlling for socioeconomic differences, for a cohort of 15-year-olds in school, those who attended preschool scored a year ahead of their peers.[51] In the early 1970s, in Chapel Hill, North Carolina, a randomized experiment which provided full-time childcare services showed positive impacts on cognitive achievement of children, with lower repetition and dropouts, as well as improved learning outcomes later in life.[52] In Argentina, a study analyzed the impact of school construction to support the expansion of universal preschool education and found that one year of preschool education yielded an 8 percent

[48] HCI is new measure of countries' human capital capacity launched in 2018 by the World Bank. Available at: *https://www.worldbank.org/en/publication/human-capital*.
[49] Psacharopoulos and Patrinos (2018), "Returns to Investment in Education: A Decennial Review of the Global Literature." *Policy Research Working Paper; No. 8402* (Washington, DC: World Bank).
[50] Berlinski, and Schady, eds. (2015), *The Early Years: Child Well-Being and the Role of Public Policy.* In *the Development in the Americas* Series. (Washington, DC: Inter-American Development Bank and New York, NY: Palgrave Macmillan).
[51] World Bank (2018), *Growing Smarter: Learning and Equitable Development in East Asia and Pacific. World Bank East Asia and Pacific Regional Report* (Washington, DC: World Bank).
[52] Campbell and others (2001), "The Development of Cognitive and Academic Abilities: Growth Curves from an Early Childhood Educational Experiment," *Developmental Psychology* 37 (2): 231–242.

increase in the mean of third grade test scores.[53] The proposed ECD activities are therefore expected to increase the quality and efficiency of the overall education system by contributing to increased school readiness and reduced repetition and dropout rates in primary education. Beyond that, quality ECD interventions can also improve physical and mental health and reduce reliance on the health care system, as well as diminish the likelihood of high-risk behavior among youth. Finally, additional benefits include greater participation by girls in education and women in the labor force.[54]

4. **Learning to read in early primary is critical for the subsequent acquisition of other skills.** Effective teaching is one of the most important factors influencing a student's ability to learn. High value-added teachers can significantly improve students' education trajectories.[55] Studies have found that for developing countries, interventions that are successful in impacting students' learning include at least some teacher training effort. Teacher training was shown to improve test scores by 0.12 standard deviation, or a 0.59 additional year of education. The largest mean effect sizes included treatments with computers or instructional technology (0.15); teacher training (0.12); smaller classes, smaller learning groups within classes, or ability grouping (0.12); and contract or volunteer teachers (0.10).[56]

5. **The project will support the improvement of reading skills in Portuguese in grades 1 to 3 which includes implementing structured pedagogy.** Evidence shows that one of the most effective classroom interventions to boost students' learning is structured pedagogy, a combination of teacher training, ongoing teacher support, resources for teachers, and classroom learning materials for students. Structured pedagogy interventions in low- and middle-income countries yielded 0.23 and 0.14 standard deviations in language and mathematics learning scores, respectively.[57] Another study found that training programs accompanied by reading materials can improve test scores by up to 0.16 standard deviation.[58] The most effective structured pedagogy interventions generally succeed at teaching to the students' level and at targeting training to teachers' level, with continuous feedback and retraining. In Kenya, a structured pedagogy intervention to improve literacy instruction provided training workshops, semi-scripted lesson plans, and weekly text message support to teachers and improved literacy outcomes, with larger improvements for girls than for boys.[59]

6. **Improving girls' educational attainment can help reduce child marriage and early childbearing, and impact girls' health and labor market prospects.** Girls who drop out of school early are more likely to experience

[53] Berlinski, Galiani, and Gertler (2009), "The Effect of Pre-Primary Education on Primary School Performance," *Journal of Public Economics*, 93: 219–234.
[54] World Bank (2006), Preventing Youth Risky Behavior through Early Child Development, *Youth Development Notes*, Vol. 1, Number 3. (Washington, DC: World Bank).
[55] Chetty, Friedman, and Rockoff (2014), "Measuring the Impacts of Teachers I: Evaluating Bias in Teacher Value-Added Estimates," *American Economic Review* 104 (9): 2593–2632.
[56] McEwan (2015), "Improving Learning in Primary Schools of Developing Countries: A Meta-Analysis of Randomized Experiments," *Review of Educational Research* 85 (3): 353–394.
[57] Snilstveit and others (2015), "Interventions for Improving Learning Outcomes and Access to Education in Low- and Middle-Income Countries: A Systematic Review," *Systematic Review 24, International Initiative for Impact Evaluation* (3ie) (London).
[58] Popova, Evans, and Arancibia (2016), *Training Teachers on the Job: What Works and How to Measure it*. World Bank Policy Research Working Paper No. 7834 (Washington, DC: World Bank).
[59] Jukes and others (2017), "Improving Literacy Instruction in Kenya Through Teacher Professional Development and Text Messages Support: A Cluster Randomized Trial," *Journal of Research on Educational Effectiveness* 10 (3): 449–481.

poor health, have more children over their lifetime, and earn less in adulthood. Furthermore, girls of mothers who married early are possibly less likely to complete secondary education themselves.[60] Mozambique has a total fertility standing at 5.05 children per woman, among the highest in the world. The speed with which countries can make the transition to low fertility rates has increased over time and those that were catching up increased *life expectancy* much faster, reduced child mortality more quickly and were able to grow their incomes.[61] Each year of secondary education leads to a seven-point reduction in the likelihood of early childbearing.[62]

7. **School grants have shown positive effects on learning outcomes.** Detailed analyses of the economic composition of education expenditures for the countries of Southern and East Africa show that high shares of their recurrent budgets go to teacher salaries.[63] The main idea behind school grants is that schools would know how to and would like to improve students' learning but often lack the resources or motivation needed. For the lack the resources, school grants could help to implement improvement plans that would eventually improve learning outcomes. For those schools whose leaders lack motivation, a conditional grant program could induce them to improve their management practices by offering more resources contingent on the school's performance.[64] Indeed, in Senegal, a competitive school grant program was found to reduce student and teacher absenteeism and had positive effects on student learning, especially for schools that spent the funds on human resources rather than school materials.[65]

8. **Timely and reliable education statistics are needed to enhance resource allocation.** Improvements in the management of human resources through an Education Management Information System (EMIS) is critically important, for example, to ensure a better deployment of teachers among schools. Additionally, evidence from high-quality learning assessments can provide the data needed to compare the cost-effectiveness of potential education interventions, target resources to poor-performing units of analysis, identify learning gaps and monitor learning trends.

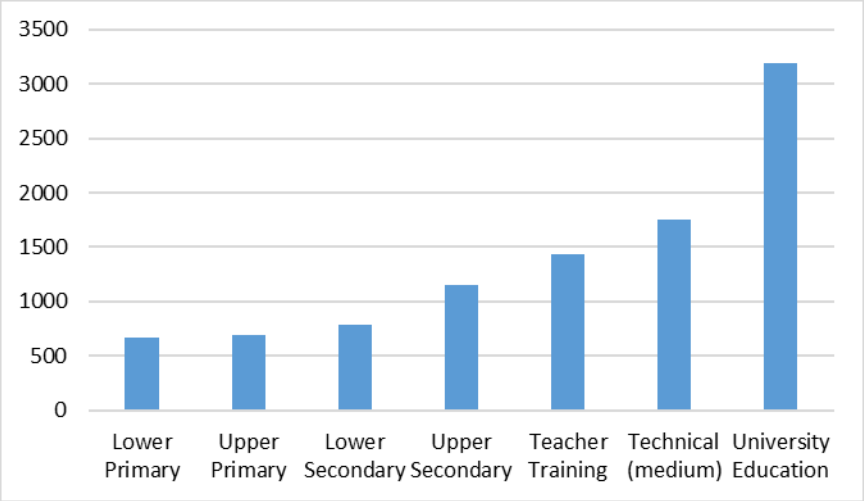
Returns to Education

9. **Investments in education can increase productivity and lead to higher economic growth.** In SSA, the return to one additional year of education is 12.4 percent, higher than the global average of 9.7 percent. For primary and secondary education, returns are 14.4 and 10.6 percent, respectively, while for higher education, the regional average is 21.0 percent.[66] The quality of basic education builds the foundation for knowledge capital

[60] Wodon and others (2017), *Economic impacts of child marriage: global synthesis report (English). Economic Impacts of Child Marriage* (Washington, D.C.: World Bank).
[61] *https://ourworldindata.org/fertility-rate*.
[62] Wodon and others (2017). "The Cost of Not Investing in Girls: Child Marriage, Early Childbearing, Low Educational Attainment for Girls, and Their Impacts in Uganda." Available at: http://pubdocs.worldbank.org/en/297781512451885312/The-Cost-of-Not-Investing-in-Girls-Child-Marriage-Early-Childbearing-Low-Educational-Attainment-for-Girls-and-Their-Impacts-in-Uganda.pdf.
[63] World Bank (2017), *Education Public Expenditure Review Guidelines*. Working paper, Report No. 116334 (Washington, DC: World Bank).
[64] Lee and Pedreira (2019), *Results-Based Financing in Education: Learning from What Works* (Washington, DC: World Bank). http://documents.worldbank.org/curated/en/915061548222619389/Results-Based-Financing-in-Education-Learning-from-What-Works.
[65] Carneiro and others (2015), "Decentralizing Education Resources: School Grants in Senegal," NBER Working Paper No. 21063 (Cambridge, MA: National Bureau of Economic Research).
[66] Montenegro and Patrinos (2014), "Comparable estimates od returns to schooling around the world," Policy Research working paper. No. WPS 7020 (Washington, DC: World Bank).

development in progressively higher levels of education, which in turn result in a more productive labor force and increased economic growth. In Mozambique, returns to education increase at higher levels of education (figure A3.1).

Figure A3.1 Average annual salaries by highest education level attended[67]



10. **In addition to private returns, greater education achievement is associated with other highly desired social outcomes such as healthier lifestyles, prosocial behavior, and civic participation.**[68] Evidence shows that education is an important mechanism for enhanced health and well-being, reducing the need for health care, helping to promote and sustain healthy lifestyles and positive choices, supporting and nurturing human development, human relationships and personal, family and community well-being.[69] The project also aims to increase girls' education and have a positive impact in reducing early pregnancy and GBV, which will contribute to the productivity of future generations through the increase in women's labor force participation, lower fertility, and improvements in overall health and education outcomes. Educated people are overall healthier and invest more in their families, including those families with fewer children.

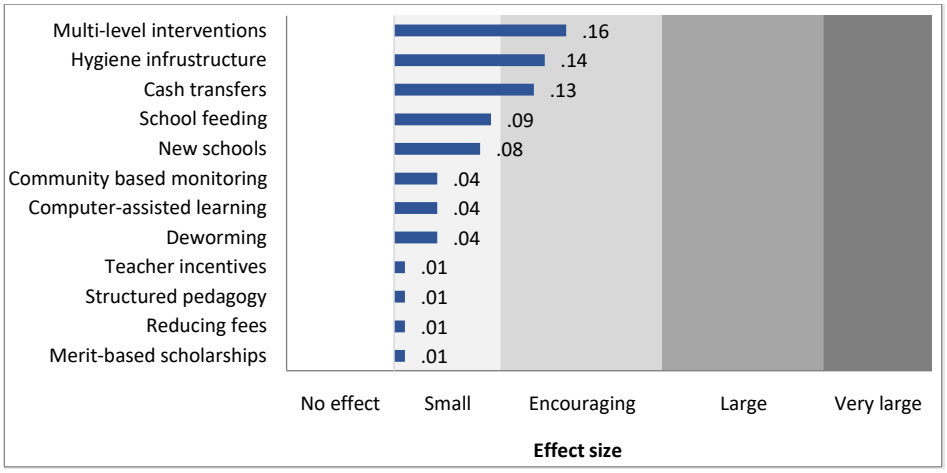
Cost-Benefit Analysis

11. **There is increasing evidence on what works to improve education access, attendance and learning.** The International Initiative for Impact Evaluation (3ie) prepared a review of studies that covered 52 low-income countries, including 21 SSA countries, from 1990 to 2015. It showed that some interventions are more effective in promoting enrollment in school while others have a higher impact on learning.[70] The cost-benefit analysis for the project uses the standard methodology for computing the aggregated private returns to education for the

[67] Salaries were calculated based on the IOF 2014/15, for the different levels of education and converted to annual values in US$. The exchange rate was 1US$ being equivalent to 62.3 MZN.
[68] Oreopoulos and Salvanes (2011), "Priceless: The Nonpecuniary Benefits of Schooling," *Journal of Economic Perspectives* 25 (1), Winter: 159–84.
[69] Feinstein and others (2006), "What are the effects of education on health?", OECD Centre for Educational Research and Innovation – CERI. Available at: http://www.oecd.org/education/innovation-education/37425753.pdf.
[70] Snilstveit and others (2015). *Interventions for improving learning outcomes and access to education in low- and middle- income countries: a systematic review*, *3ie Systematic Review 24* (London: International Initiative for Impact Evaluation (3ie)).

students who benefit from project activities. It is assumed that the multilevel interventions will impact student progression, reflected in higher transition from primary to secondary education and higher completion rates (figure A3.2). Benefits correspond to the increase in earnings resulting from larger numbers of students completing basic education. Because the method does not consider the expected positive externalities and other potential beneficiaries, it underestimates the full NPV of the project.

Figure A3.2 Interventions that improve student attendance, low- and middle-income countries



Source: Snilstveit and others (2015); Bashir and others (2018).

12. **Project costs comprise the actual cost of the project and the costs related to the increase in the number of students enrolled in the system.** Additionally, a few assumptions were made in order to calculate the costs and benefits to the project, such as students joining the labor market the year after graduation and working for 40 years, and all graduates find employment after graduation. Other assumptions were that the discount rate is 13.25 percent and inflation is 4 percent.[71]

13. **The NPV of the project is estimated at US$272 million and the equivalent IRR is 15 percent.** The estimated NPV and the IRR of the project should be considered conservative estimates, since they include only the impact on the future wage increase from the additional years of schooling of the beneficiaries of the project, and not all potential externalities and indirect beneficiaries. A series of sensitivity analyses were conducted to assess the variations in the NPV and IRR within a reasonable range of adjustments to the assumptions (table A3.1).

Table A3.1 Sensitivity Analysis

Scenarios	NPV	IRR
Baseline	US$ 271,899,998	15.0%
Beneficiaries work for 35 years after graduation	US$ 254,489,974	15.0%
Project impact is reduced in 15 percent	US$ 207,020,065	14.8%
Project impact is reduced in 30 percent	US$ 139,539,659	14.5%

[71] http://www.bancomoc.mz/.

ANNEX 4 Indicators for the GPE Variable Part Financing

1. **The variable part of the project amounts to 30 percent of the total GPE grant and will be disbursed upon the achievement of the agreed targets for 3 indicators associated with each of the 3 GPE dimensions: learning, equity and efficiency.** The targets, budget allocations and verification protocols are described in the PBC matrix and verification protocols table, presented earlier in this document (Section VII). The three PBCs were selected to contribute to key reforms and results in the education sector which would have lower (or no) chance to be developed without incentives. PBCs also try to be realistic, and to a large extent, they depend on MINEDH's effort and investment. The PBCs were discussed and endorsed by the LEG in Mozambique.

Table A4.1 GPE Variable Part Indicators

GPE Dimension	Performance Based Condition
Quality	PBC1. Increased proportion of grades 1 to 3 students with individual textbooks nationally.
Equity	PBC2. Increased retention of girls in upper primary and lower secondary in the selected upgraded schools located in districts where girls' GER is below 60 percent.
Efficiency	PBC3. Reduced teachers' absenteeism in primary school at national level.

PBC1. Increased proportion of grades 1 to 3 students with individual textbooks nationally

2. **Background and rationale.** Textbooks are a key input and basic condition for students learning. Evidence shows that the failure of learning materials to reach schools and classrooms is one of the factors associated to the worldwide learning crisis.[72] Textbooks also motivate students to learn and go to school. A recent study in Mozambique shows that the availability of textbooks and learning materials at schools is associated with higher students' attendance.[73] Mozambique made significant progress in reducing the unit cost of textbooks and developing internal capacity to internally produce students and teachers' materials. Although the number of textbooks produced and purchased result in a 1:1 textbook to student ratio, the SDI 2018 and data reported by MINEDH showed that textbooks are not reaching all schools and all students. One of the reasons identified for the lack of textbooks in all schools is a defective distribution and inventory mechanisms. This PBC creates incentives to increase the availability of textbooks for each student at school, and these incentives are associated with the use of learning materials as a key input of the learning process. Incentives will contribute to change the focus from buying inputs to ensure that those inputs reach the actual beneficiaries, which is the final purpose of the investment. Focusing of availability at the school level represents an important change to the way the effectiveness of this investment is tracked. Purchase and distribution of textbooks is one of the main budget allocations of

[72] World Bank (2018), *World Development Report 2018: Learning to Realize the Education's Promise* (Washington, DC: World Bank).
[73] UNICEF, KOICA and Pedagogic University (2019), *Longitudinal Evaluation of School Dropout in Mozambique: Drivers of School Absenteeism and Educational Attainment* (UNICEF, KOICA and Pedagogic University).

external funds in Mozambique, accounting for nearly 20 percent of the external support each year. Ensuring textbooks reach all students is a basic condition to support learning.

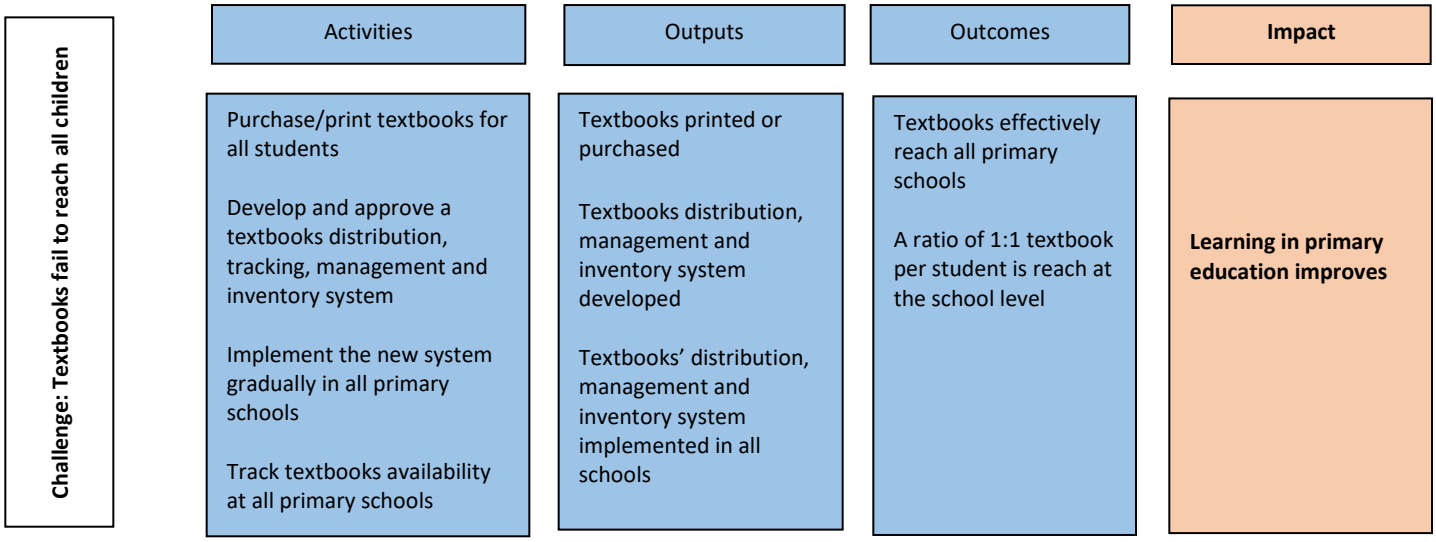
3. **Indicator description.** This indicator will focus on ensuring availability of textbooks for students in grades 1 to 3 in all schools, by improving distribution and inventory mechanisms. While measuring use at the school level is difficult and costly, this will be monitored during the National Learning Assessment (NLA), which is conducted every three years and collects information on students with books inside the classroom the day of the NLA survey. The NLA information will be analyzed and associated with the information collected on availability of textbooks and collected at the school level annually.

4. S**upport to ESP 2020–29 implementation.** This PBC contributes to the ESP main overall strategic objective of ensuring the quality of learning by increasing the availability of a critical input for students learning. This is linked to the priority action identified in the ESP of providing schools with more attractive means and facilitators of learning that complement the teachers' work and motivate student learning.

5. **Amount.** The disbursements linked to this indicator amount to US$10 million. The eligible expenditures are detailed in annex 5.

6. **Results Chain for PBC1.** Figure A4.1 shows the activities, outputs, outcomes and impact of PBC1 that are related to the challenges associated with the availability and distribution of textbooks.

Figure A4.1 Results Chain for PBC1



PBC2. Increased retention of girls in upper primary and lower secondary in the selected upgraded schools located in districts where girls' GER is below 60 percent.

7. **Background and rationale.** Difficult access to school is one of the main obstacles for retaining girls longer in the education system, especially through adolescent years. Limited availability of lower secondary schools results in long distances from communities to the closest school, making parents and girls concerned about safety conditions and resulting in high transportation costs (when available). In Mozambique, there is only 0.1 lower secondary school per primary school, creating a big bottleneck for girls (and boys) to continue their studies after primary. The lack of schools in the northern and center regions of the country is even more acute, with all districts having only 1 to 2 lower secondary classrooms per 1,000 children ages 10 to 14 (as showed in figure 1 in this document), resulting in low enrollment rates, especially among girls. This aggravates regional disparities in education outcomes for communities already living in a fragile context, as these regions are affected by a violent conflict which has been escalating rapidly since 2019. Uneven provisions of services and development outcomes is also a major factor of fragility, increasing social unrest.

8. The lack of adequate WASH facilities in upper primary and secondary education schools is another big factor contributing to the gender gap in access and girls' dropout in the final years of primary education and in the transition to secondary. The SDI 2018 showed that although most schools have toilet facilities, less than 60 percent have access to drinking water and in only 20 percent of schools is water available to wash hands. This situation is even more serious in the north and center of the country, where schools with water to wash hands is less than 10 percent in the north and 20 percent in the center, compared to nearly 40 percent in the south.

9. This PBC aims at contributing to reducing gender and regional imbalances in access to education by increasing the availability of basic schools (primary and lower secondary) in districts with GER for girls below 60 percent, concentrated in the north and center of the country. The upgrading of primary schools to teach lower secondary will considerably increase the supply of lower secondary in these districts, with a special benefit for girls for the reasons described above. Upgrading schools will involve improving infrastructure, building classrooms and facilities, and improving or creating new WASH facilities, which are gender friendly and adequate for children with disabilities. It will also require training and hiring teachers, with a focus on female teachers whenever possible. This PBC will complement the activities financed with the fixed part of component 2, which aims at working with the demand side for school enrollment. These activities include, for example, the SRH education program, which will contribute to reducing adolescent pregnancies, and the communication campaign to address social norms. This PBC will allow the Government to allocate a large amount of resources in the areas with the largest gender gaps, poorest education outcomes, and with increasing fragility. The existence of incentives associated with this action will support the Government to address the political challenges of this decision.

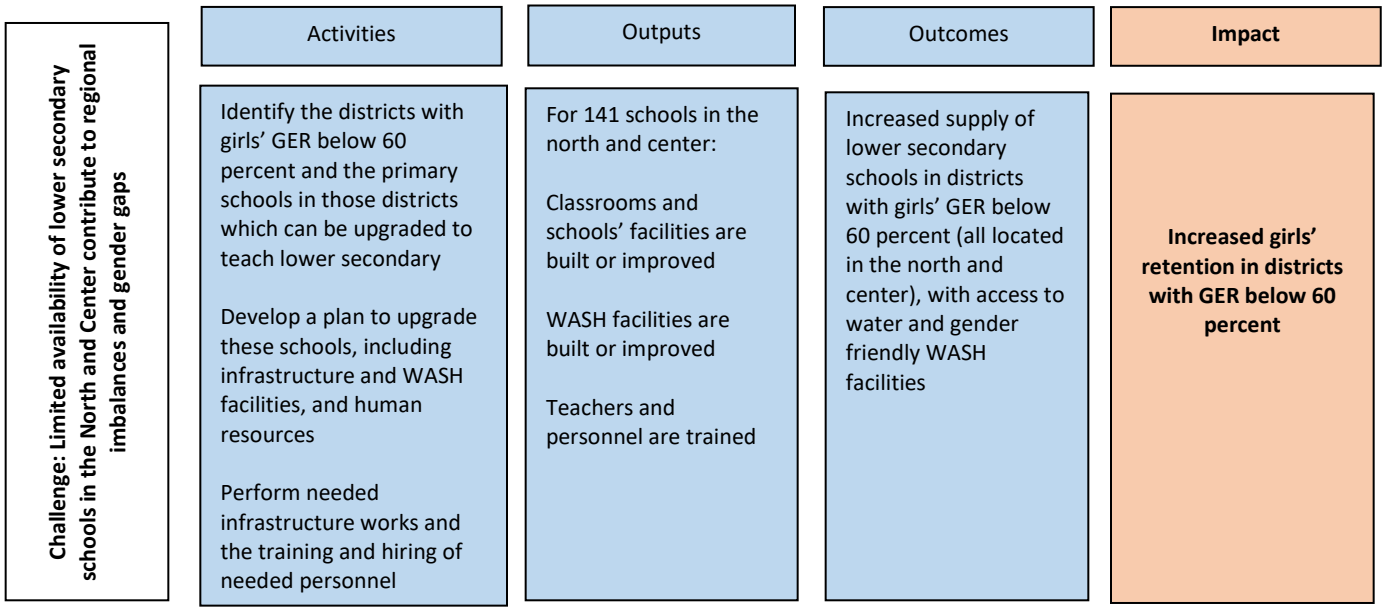
10. **Indicator description.** This indicator will focus on increasing retention of girls in districts with low girls' GER (below 60 percent), by increasing the number of schools offering lower secondary in those areas and ensuring access to water and gender friendly sanitary facilities in lower secondary. The schools to be upgraded under this PBC (141 schools in the north and center) will be pre-identified, ensuring clear differentiation with schools upgraded under the fixed part.

11. S**upport to ESP 2020–29 implementation**. This PBC contributes to MINEDH's ESP main overall strategic objective of ensuring inclusion and equity in access, participation and retention, helping to reduce large gender and regional imbalances.

12. **Amount.** The disbursements linked to this indicator amount to US$23 million. The eligible expenditures are detailed in annex 5 below. The estimated cost for upgrading one school is US$160,000, including the construction or improvement of WASH facilities, developing the needed infrastructure, and training teachers and school's personnel. Thus, the amount allocated to this PBC would cover the cost of upgrading these schools, which is required by the new PBCs guidelines of the World Bank.

13. **Results Chain for PBC2.** Figure A4.2 shows the activities, outputs, outcomes and impact of PBC2 that are related to the challenges associated with regional imbalances and gender gaps in education.

Figure A4.2 Results Chain for PBC2



PBC3. Reduced teachers' absenteeism in primary schools at national level

14. **Background and rationale.** The SDI 2014 indicated that 45 percent of teachers were not present in school in a given day and more than 60 percent were not in the classroom when they were supposed to be teaching. While the SDI 2018 showed a significant reduction in numbers, teachers' absenteeism remains around 30 percent. High level of teachers' absenteeism is associated with high students' absenteeism and a significant loss of time of instruction. If teachers are not at school, other investments such as teacher training, increased learning materials and better infrastructure are lost, resulting in huge inefficiencies for the education sector. The SDI 2018 showed that teachers' knowledge combined with reduced absenteeism contributed to better student learning. Therefore, reducing teachers' absenteeism becomes essential to ensure that all efforts in the sector can be effective. The SDI 2018 also indicated factors that

could help increase the presence of teachers in schools, such as increased district supervisions and closer monitoring.

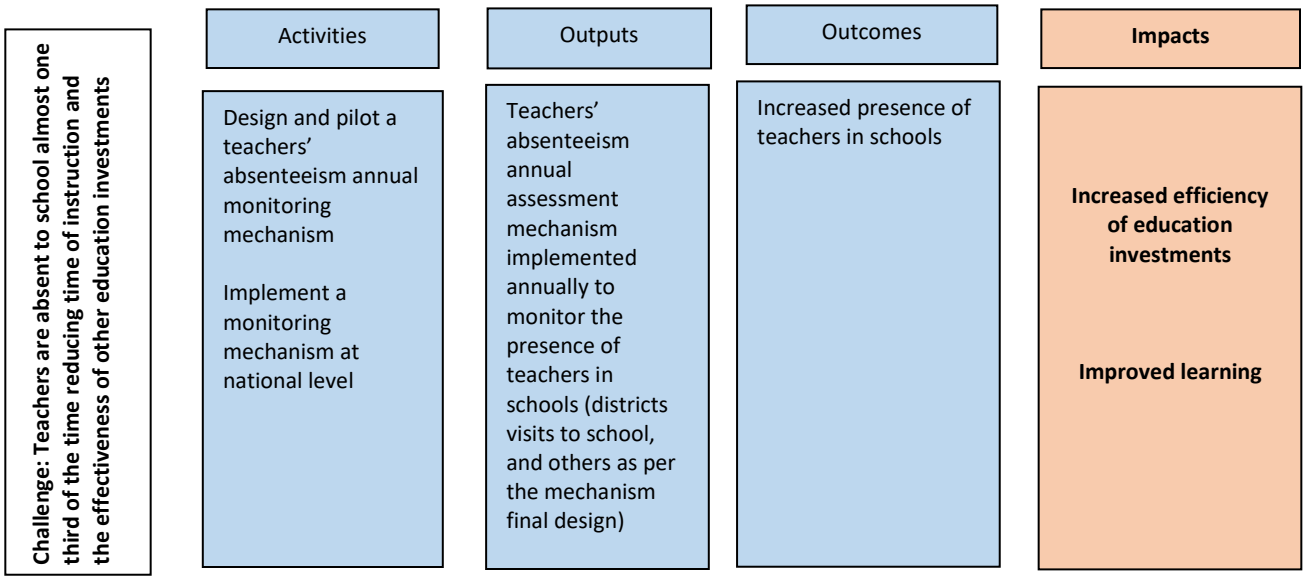
15. **Indicator description.** This indicator will focus on developing a mechanism to monitor teachers' absenteeism, aiming at increasing the presence of teachers at school. The SDI 2018 results and a recent qualitative study by UNICEF of the reasons associated with teachers' absenteeism will help inform MINEDH's monitoring mechanism.

16. **Support to ESP 2020–29 implementation**. This PBC contributes to MINEDH's ESP main overall strategic objective of ensuring a transparent, participative, efficient and effective governance, as well as to the strategic objective of ensuring quality of learning. Reducing teachers' absenteeism will increase instruction time, improve student-to-teacher ratio at schools, and enhance the effectiveness of other resources and investments (such as teacher training or textbooks), all of which will contribute to greater efficiency in the education sector.

17. **Amount.** The disbursements linked to this indicator amount to US$9 million. The eligible expenditures are detailed in annex 5 below.

18. **Results Chain for PBC3.** Figure A4.3 below shows the activities, outputs, outcomes and impact of PBC3.

Figure A4.3 Results Chain for PBC3



ANNEX 5 Costing and expenses

1. The total project cost for the entire implementation period (2021–2025) is US$299 million, with US$160 million from IDA financing and US$139 million from GPE financing, of which US$97 million is fixed and US$42 million is linked to the achievement of three PBCs. The IDA and GPE financing are separated by component. Funding allocations across components have been determined based on ESP priorities as indicated by the government (and endorsed by LEG), alignment with GPE's priorities, lessons learned from the previous project (ESSP – P125127), recommendations from development partners, and implementation capacity.

Table A5.1 Unit Costs of Main Project's Activities

Main expenditure items	Number of beneficiaries	Unit costs	Notes
Component 1: Improving learning in primary education (US$90 million)			
Subcomponent 1.1. Strengthening preschool services (US$25 million)			
Design of preschool regulatory framework Design of preschool personnel framework Operations of current 1,212ECD centers Construction of 100 additional ECD centers	368,000 preprimary students	US$15/preprimary student (current costs) US$ 170/ECD facilitator wage US$15,000/new ECD center	Number of students based on ESP 2020–29 budget plan
Subcomponent 1.2. Strengthening reading skills in primary education (US$65 million, including US$10 million linked to PBC1)			
Pilot of *Aprender+* Program Development of structured pedagogy and provision of learning materials for grades 1 to 3 Training of teachers	4,500 target schools 2,685,500 students 30,500 teachers	US$0.95/textbook US$1.54/teacher guide US$46/week of teacher training	Data based on ESP 2020–29 budget plan Target grades estimated as 60 percent of total for 1st cycle of primary level
PBC1. Increased proportion of grades 1 to 3 students with individual textbooks nationally (US$10 million)			
Develop and approve a textbooks distribution, tracking, management and inventory system Implement the new system gradually in all primary schools Track textbooks availability at all primary schools	4,500 target schools 2,685,500 students 30,500 teachers		Data based on ESP 2020–29 budget plan Target grades estimated as 60 percent of total for 1st cycle of primary level
Component 2: Increasing access and retention of girls in upper primary and lower secondary education (US$150 million)			
Subcomponent 2.1. Facilitating access to upper primary and lower secondary for girls (US$75 million, with US$23 million linked to PBC2)			
Upgrading of primary schools, including girls' friendly and inclusive WASH facilities Upgrading of primary teachers	194 out of 335 eligible schools 1,067 eligible teachers	US$160,000/requalified school US$2,000/requalified teacher	In 2018, for EP1 and EP2, there were 5.5 teachers per school (on average) Costs added as one additional year of teacher training

PBC2. Increased retention of girls in upper primary and lower secondary in the selected upgraded schools located in districts where girls' GER is below 60 percent (US$23 million)			
Upgrading of 141 primary schools in districts with girls' GER below 60 percent to become basic schools (grades 1 to 9), including infrastructure, WASH facilities and human resources	141 out of 335 eligible schools 775 eligible teachers	US$160,000/upgraded school US$2,000/upgraded teacher	In 2018, for EP1 and EP2, there were 5.5 teachers per school (on average) Costs added as one additional year of teacher training
Subcomponent 2.2. Strengthening the quality and expanding the scale of distance learning (US$45 million)			
ICT equipment for current 384 DL centers Construction of 96 new DL centers Training of teachers Improvement of teaching materials	38,000 students in 384 DL centers 12,000 teachers	US$150,000/new DL center US$ 140/secondary students US$ 50/secondary students learning materials and equipment	Estimated pupil to teacher ratio of 40 based on data from 2018 statistical yearbook
Subcomponent 2.3. Promoting a safe and inclusive school environment for girls (US$30 million)			
Support implementation of SHE program Implement mentorship program for girls	1,500,000 female students in upper primary 900,000 female students in lower secondary		In 2018, the share of female students was 47 percent in upper primary and 49 percent in lower secondary
Component 3: Strengthening governance to improve efficiency and monitoring of education outcomes progress (US$55.5 million)			
Subcomponent 3.1. Strengthening capacity to collect and analyze data, including disaggregation by gender (US$6.5 million)			
Conduct 2 NLAs for grade 3 Develop and implement NLA in secondary level	Basic education system	US$ 0.77/primary student evaluated US$ 1.54/secondary student evaluated	Data based on ESP 2020–29 budget plan
Subcomponent 3.2. Implementing result-based financing to improve education outcomes (US$49 million, with US$9 million linked to PBC3)			
Financing of performance mechanism at school level Financing of performance mechanism at district level	Basic education system	School-level grant (ADE) US$3/student US$4.5/classroom	Data based on ESP 2020–29 budget plan
PBC 3. Reduced teachers' absenteeism in primary schools at national level (US$9 million)			
Design and implement a mechanism to monitor teacher's absenteeism Technical assistance to districts to support schools and to school councils to monitor girls' attendance	Basic education system	US$ 2,350/year in ICT allocation to central offices US$ 92.5/year in supervision at province and district levels	Data based on ESP 2020–29 budget plan
Component 4: Project management, monitoring and evaluation (US$3.5 million)			