

KENYA: Primary Education Development Project (PRIEDE), Grant No. P146797

Implementation Support Review

March 12 to 21, 2018

Aide Memoire

A. INTRODUCTION AND MISSION OBJECTIVES

1. During March 12 to 21, 2018, a Bank Team¹ carried out an Implementation Support Review of the Kenya Primary Education Development Project (PRIEDE). This Aide Memoire (AM) summarizes the findings on the status of the project implementation, recommendations and agreements reached with the Ministry of Education (MoE) to take corrective measures and to expedite implementation of the remaining project activities. The mission's key findings and recommendations were presented and discussed at the wrap-up meeting on March 19, 2018 with the Dr. Belio Kipsang, Principal Secretary State Department of Early Learning and Basic Education, as the chair.
2. The key objective of this mission was to review the overall status of project implementation and initiate dialogue with the Government on the next Global Partnership for Education (GPE) replenishment grant. Specifically, the mission reviewed and discussed: (i) early grade mathematics (EGM) activities including transition to the competency based curriculum framework; (ii) implementation of the school grants; (iii) progress on the education information management system and actual data collection and analysis; (iv) development of the national quality assurance strategy and its implementation tools; (v) status of Project procurement, financial management, and safeguards; and (vi) initiate dialogue on the replenishment of the GPE grant, and agree on the next steps.

B. KEY PROJECT DATA AND OVERALL STATUS

3. The key project data is summarized on Table 1 below. The project development objective (PDO) is to improve early grade mathematics competency (PDO¹) and strengthen management systems at school and national levels (PDO²). The key performance indicators (KPIs) are: (i) improvement in basic mathematics competency level of Grade 2 student; (ii) number of participating schools completing top two priorities of school improvement plans; (iii) Education Management Information System (EMIS) data for primary education published annually from 2016; and (iv) and National Assessment Systems for Monitoring Learner Achievement (NASMLA) for Standard 3 students conducted and disseminated in 2015 and 2018. The project has four components: (i) Component 1: Improvement of early grade mathematics (EGM) competency; (ii) Component 2: Strengthening school management and accountability; (iii) Component 3: Strengthening capacity for evidence-based policy development at national level; and (iv) Component 4: Project coordination, communication monitoring & evaluation.
4. For PDO 1, a mid-line survey was conducted in 2017 and data analysis is ongoing, which will inform actual progress towards this PDO and any adjustments that may be required before the end line in 2019 survey. Progress on implementation of key project activities for this PDO is considered satisfactory by this mission. Since 2017, MoE has procured and distributed an additional 2,811,000 Early Grade Mathematics (EGM) textbooks for the 2018 cohort; conducted teacher training on EGM for about 117,484 teachers; and cumulatively conducted 17,121 classroom observations, which is way below the target of 40,000.

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Table 1: Key Project Data

Key Project Data		Project Performance Summary Ratings		
			Current	Previous
Board Approval	May 18 2015	Progress towards achievement of PDO	MS	MS
Effectiveness Date	July 8, 2015	Overall implementation progress	S	MS
Closing Date	March 31, 2019.	Counterpart Funding	MS	MS
IDA Credit Amount (GPE Grant)	USD 88.4 million.	Project management	MS	MS
Amount Disbursed so far	USD 59 million (67 Percent)	Financial Management	MS	MS
		Procurement	MS	MS
		Monitoring and evaluation	MS	MS

Notes: MS: Moderately Satisfactory S: Satisfactory

5. There is significant progress towards achievement of key performance indicators related to PDO 2. Notably, eighty nine percent of target schools for the school grants (3,569 of the target 4000) have completed implementation of top two priorities in the school improvement plans. Concerning data, 95 percent of schools submitted data published in Statistical Data booklet for 2014, 2015 and 2016 supported by UNICEF. For the 2018 data, schools are submitting the required data through the new online system for the National Education Management Information System (NEMIS). At the time of the mission, over 4 million learners were registered in this system with unique personal identifiers (UPIs), which are linked to their birth certificates.
6. Concerning learning assessment under this component, the findings and recommendations from the grade 3 and form 2 assessments, are being disseminated at each County, to reinforce the need to focus on improving learning outcomes by service providers at County and school levels.
7. Overall, financial management is rated Moderately Satisfactory. The mission noted that disbursement of funds to the Counties had improved and was done before planned activities. However, MoE needs to ensure consistency in its controls on cash flow management. Concerning procurement, the project is rated Moderately Satisfactory. The mission noted that procurements are largely done as per the approved plans and as per the order of priority.
8. The technical team on the EGM Component at MoE is working closely with the Kenya Institute of Curriculum Development (KICD) to align the EGM interventions to the new Competency based curriculum (CBC) for Early Years of Education (EYE). Specifically, EGM textbooks and teacher’s guides have been revised in accordance with the new Basic Education Curriculum Framework (BECF) for Early Years of Education (EYE). This includes adaptation of the EGM textbooks for special needs learners. EYE comprise two years of pre-primary education and grades 1 to 3 of lower primary education. This alignment is critical to institutionalize EGM interventions into the overall national curriculum.

C. KEY POINTS DISCUSSED AND AGREED ACTIONS

Component 1: Improvement of early grade mathematics competencies (US\$34.5million)

9. This component mainly covers improving classes 1 and 2 teacher competencies in EGM; providing EGM instructional materials; enhancing EGM teacher pedagogical supervision; sensitizing pre-service teacher training college (PTTCs) in EGM; and EGM management and coordination. satisfactory by this mission. **Progress to date:** MoE is on track in the implementation of this component. Cumulatively, MoE has procured 7, 617,068 EGM textbooks out of the target six million; about 117,484 teachers were trained on

EGM out of the 40,000 targets annually; and cumulatively about 17,121 classroom observations have been conducted, which is below the 40,000 targets.

10. Key recommendations for this component are:

- a) *Alignment of the EGM instructional materials to the CBC.* Finalize this task and print the materials before subsequent EGM teacher trainings planned for August and December 2018.
- b) *Classroom observation.* MoE will follow up with the Teachers Service Commission (TSC) concerning role of Curriculum Support Officers (CSO) in classroom observations (within the TSC's CSOs mandate). Moving forward, TSC monitor CSOs activities related to classroom observations.
- c) *Sensitizing PTTCs on EGM methodologies.* MoE EGM team will work closely with KICD and conduct this within the framework of the proposed CBC for PTTCs.
- d) *EGM midline survey.* This needs to be completed by April 15, 2018.

Component 2: Strengthening school management and accountability (US\$38.8million).

11. This component entails Kenya Certificate of Primary Education (KCPE) analysis and feedback to 4000 low performing schools mostly located in Arid and Semi-Arid (ASAL) counties; teacher appraisal; school improvement program and school grants; and strengthening of school audit. **Progress to date:** additional KCPE analysis reports for 2016 and 2017 completed and available on KNEC website www.knec.ac.ke; about 92 percent of teachers in the target 4000 schools were appraised; about 3,569 of the 4000 target schools have completed top two priorities for the school improvement program; 4000 head teachers received branded school installed with school management programs; fiduciary training was conducted for 4000 head teachers; and 250 school auditors trained on risk based audit processes.

12. Key recommendations for this component are:

- a) *Utilization of tranche 1 of the school grant.* MoE will prepare a report and submit to the World Bank by April 30, 2018.
- b) *Utilization of the KCPE school specific analysis reports by schools.* County project teams need to continuously support schools to interpret and use these reports.
- c) *Teacher Performance and Appraisal Development (TPAD).* Development of the TPAD online system is substantially delayed. This needs to be completed by August 30, 2018.
- d) *School based innovations for target school grants.* MoE will facilitate regional level forums for the most improved 100 schools to share good practices with their peers.

Component 3: Strengthening capacity for evidence-based policy development at national level (US\$10.8million).

13. This component entails strengthening data/education management information system (EMIS), monitoring of learning achievement and evidence based policy development. **Progress to date:** implementation for this component has improved substantially. Notably, two studies are at advanced stages (education models in ASAL and teacher utilization); education sector analysis (ESA) is nearing completion; a draft national education sector strategic plan (NESSP) was shared with key stakeholders for review; the NEMIS online systems was launched and over 4 million learners are now registered; and MoE launched the ongoing County dialogues on 'quality of education' to disseminated various studies, including learning assessments conducted under the project. However, development of the National quality assurance framework (NQAF) and tools is substantially delayed.

14. Key recommendations for this component are:

- a) *NEMIS.* MoE needs to closely follow up with relevant agencies to resolve the lack of birth certificates among some learners. MoE could consider a preliminary registration for learners processing the certificates, and aim at generating the first NEMIS annual education statistical report before June 30, 2018. A 30 percent sample verification of the data will be required.
- b) *ESA and NESSP.* Need to complete development of these documents by May 30, 2018.

NQAF. Substantial implementation of this activity is yet to be realized. The mission proposes to reconsider this activity if no progress is realized by June 30, 2018.

Component 4: Project coordination, communication monitoring & evaluation (US\$4.3 million).

15. Project activities here include establishment of the Project Coordination Unit (PCU); establishment of County level project coordination teams; development of a comprehensive communication strategy and its implementation; on-the job training for implementing agencies to conduct results-based monitoring and evaluation and conduct studies and evaluations. **Progress to date.** Overall, project management and coordination is satisfactory. Project workplans and the results framework are up to date. Project communication has improved with the hiring of a communication consultant.
16. Key recommendations for this component are:
 - a) *Evaluations*. Launch procurement process for evaluation of the school grant and quality of EGM training by August 30, 2018.
 - b) *Results Framework (RF)*. Update the RF on a quarterly basis.

FIDUCIARY COMPLIANCE

17. **Procurement Performance:** There is serious concerns on procurement by the target 4000 schools. For example, tender adverts are not available in some schools and procurement opportunities not made open to the public; in some cases, tenders were issued without disclosure of the quantities; and bidders were in some instances disqualified for reasons that were not disclosed in the quotation/tender documents. MoE needs to immediately undertake a sensitization on procurement processes including documentation in the target school. A circular to schools is urgently required on these matters for immediate follow up by County project teams before utilization of the second tranche.
18. **Financial Management (FM) Performance:** The FM performance is rated as moderately satisfactory. A detailed FM annex is attached to this aide memoire. Disbursement of funds to the Counties has improved. However, the PCU needs to ensure consistency in its controls on cash flow management by preparing the next three month rolling cash flow report by April 30, 2018. Though major improvements were noted in the record keeping and filing systems, MoE needs to document in detail discussions on key financial management areas of budget monitoring, cash flow management and reconciliations. The internal audit department had not submitted the final audit report for the FY 2016/17 and needs to submit this by April 10, 2018. The quarterly Interim Financial Reports(IFRs) were submitted within the stipulated 45 days after end of quarter. However, management should resolve the outstanding variances noted in the IFR for quarter ending 30 September 2018, i.e. US\$ 86,787 variance in the reconciliation of Counties' balances and the US\$ 2,045,354.88 variance between the IFR closing balances and Client Connection balances by April 30, 2018.
19. **Disbursements Status:** The project has disbursed USD 59millions (67%) and USD 29million remains to be disbursed in the remaining one year.

SAFEGUARD MANAGEMENT

20. **Environmental Safeguards:** The risk rating is low. The main environment risks associated with the project include construction of primary school sanitation facilities such as toilets, urinals among others and rehabilitation of primary school infrastructure i.e. roofing, installing windows and repair of desks. The Ministry of Education has prepared and shared environmental and social management plan checklist with the primary schools participating in the project to guide in mitigating potential environmental impacts.
21. **Social Safeguards:** The risk rating is low. Under Component 1 of the project, the early grade mathematics and literacy has been largely achieved the risk associated with this component was the use of ICT for evaluation; this has progressed well with assistance from the curriculum support officers who work with the schools. In Component 2 of the project, one of the major objectives is to improve school performance through development of School Improvement Plans (SIPs) on the selected low performing schools. The mission established that one of the risks was non-involvement of Schools Board of Management and exclusion of

Indigenous People. This risk has successfully been mitigated by forming and training BoMs under safeguards as well as conducting refresher training for head teachers on financial management.

D. NEXT GPE REPLENISHMENT

22. It was agreed that Kenya would apply for the recently announced Maximum Country Allocation grant of USD 9.7 million. The MoE intends to use the new allocation for an extension of the current program as additional financing. The mission prepared a draft roadmap for the application process and shared it with the MoE. The GPE Secretariat indicated that it is committed to work with the ministry, the local education group and the Grant Agent for an efficient and quality application process. As a first step, the mission agreed that MoE will develop a concept note for the additional financing by April 30, 2018 and undertake the Education Sector Plan appraisal by May 1, 2018. The roadmap envisages that the final package for the additional financing will be submitted to GPE in quarter four of 2018 (calendar year).

E. AGREED UPON ACTIONS AND NEXT STEPS

23. Section 'C' above highlights the key issues for attention by the government. The presentation discussed at the wrap up meeting is attached and contains details on the mission's findings for reference by the PCU.

F. NEXT REVIEW AND ANNEXES:

24. The next technical mission is proposed for June 2018. List of annexes:

Annex I: PRIEDE cash flow projections

Annex II: Key Fiduciary Action Points

Annex III: List of persons met (shared on email)

Annex IV: Updated results framework (Shared on email).

Annex V: Detailed presentation on key mission's findings and next steps for the wrap up meeting (already shared with the PCU).

Annex VI: Detailed financial management review and recommendations.

Annex I – PRIEDE cash flow projections

CASH FLOW PROJECTION FOR THE PERIOD APRIL-JUNE 2018				
COMPONENT	April	May	June	Total
	KES	KES	KES	KES
COMPONENT 1: EARLY GRADE MATHEMATICS				
1.2 Enhancing Teacher Competencies -Carry out EGM Training for head teachers and teachers teaching grade 1 and 2	460,000,000			460,000,000
1.3: Enhancing Pedagogical Support and Supervision- facilitation of CSOs to carry out lesson observation; Zonal Numeracy Exhibitions and review forums,		216,283,950		216,283,950
1.4: Mainstreaming EGM in Pre-Service Education- by developing teacher training manual aligned to new curriculum, printing and distributing them to teacher training colleges and conducting training for tutors, Principals and BOMs		42,000,000		42,000,000
1.5 Individual consultancy to evaluate quality of EGM training		26,325,000		26,325,000
1.6: EGM Management and Coordination	18,000,000			18,000,000
Sub-total Component 1	478,000,000	284,608,950	-	762,608,950
COMPONENT 2: STRENGTHENING SCHOOL MANAGEMENT AND ACCOUNTABILITY				
2.1 KCPE School Specific Analysis for 2016, 2017 and 2018, training teachers and MOE on utilization of the reports, printing and dissemination of the reports	10,440,000			10,440,000
2..2 Teacher Appraisal and Development-Review of TPAD tools, printing & training, and monitoring of teacher appraisals	181,263,926			181,263,926
2.4 Development of an online TPAD system and service support, TPAD Documentary,		137,219,500		137,219,500
2.5 Benchmarking study tour by TSC and MOE senior officials on teacher management and development		23,520,000		23,520,000

CASH FLOW PROJECTION FOR THE PERIOD APRIL-JUNE 2018				
COMPONENT	April	May	June	Total
	KES	KES	KES	KES
2.7 Strengthening School Management and Accountability- Disbursement of 2nd tranche, supply of school tablets to 4000 SIP schools, Monitoring SIP implementation, capacity building for BOMs refresher on fiduciary management at school level, documentary of SIP lessons/best practices, National & Regional Conference to share experience of the SIP implementation	110,000,000	200,000,000		310,000,000
2.8 Consultancy to evaluate the SIP process		20,000,000		
Sub-total Component 2	301,703,926	380,739,500	-	662,443,426
COMPONENT 3: ENHANCING CAPACITY FOR EVIDENCE BASED POLICY DEVELOPMENT				
3.1 Strengthening Education Management Information System (NEMIS) - Finalization of NEMIS user Manual, NEMIS Policy, and regulations; Capacity building of MOE National, County, Sub County and School level NEMIS users		237,000,000		237,000,000
3.5 Monitoring Learner achievement- NASMLA class 7, 2018		98,039,100		98,039,100
3.6 Monitoring Learner Achievement - MLA F2, 2018	98,038,700			98,038,700
3.9 Consultancy on development of Education Quality Assurance Framework			30,000,000	30,000,000
3.11 Development of National Education Sector Plan (NESSP)		15,000,000		15,000,000
Sub-total Component 3	98,038,700	350,039,100	30,000,000	478,077,800
COMPONENT 4: PROJECT COORDINATION, COMMUNICATION AND MONITORING & EVALUATION				
4.1 Project Coordination- office supplies, fuel airtime, stationery, tonners among others		5,324,910		5,324,910
4.2 Capacity Building for MOE staff at National and County Level and staff from the SAGAs implementing the project	45,000,000			45,000,000
4.3 PRIEDE Project Midyear and Annual review Forums			23,000,000	23,000,000

CASH FLOW PROJECTION FOR THE PERIOD APRIL-JUNE 2018				
COMPONENT	April	May	June	Total
	KES	KES	KES	KES
4.5 Project Communication: IEC Materials, Exhibitions, and advertisements/disclosures		15,000,000		15,000,000
4.6 Consultancy services in Communication			1,000,000	1,000,000
4.7 Documentary of overall PRIEDE PROJECT best practices, and development of project sustainability plan	3,000,000			3,000,000
4.8 consultancy services for M&E			1,000,000	1,000,000
4.9 Internal Monitoring and Evaluation Missions		6,000,000		
Sub-total Component 4	48,000,000	26,324,910	25,000,000	93,324,910
GRAND TOTAL	925,742,626	1,041,712,460	55,000,000	1,996,455,086

Annex II - Key Fiduciary Action Points

Financial Management

Funds flow

The mission noted that disbursement of funds to the Counties had improved and was done before planned activities. However, the PCU needs to ensure consistency in its controls on cash flow management. There were cases of inadequate funds for planned activities at the PCU level and delayed transfer of funds to TSC, which may adversely affect implementation of activities. Disbursement of the first tranche (Kshs 300,000) to each of the 4,000 benefitting SIP schools was successfully processed. The second tranche SIP grant disbursement was ongoing.

Accounting

The PCU had refined the key project accounting staff roles to enhance accountability, reviews and reporting. Though major improvements were noted in the record keeping and filing systems, management needs to document in detail discussions on key financial management areas (budget monitoring, cash flow management and reconciliations) and ensure proper filing of correspondences with the Counties. The PCU should ensure that the fixed assets register is updated quarterly.

Internal audit reports:

The internal audit department had not submitted the final audit report for the FY 2016/17. The PCU should follow up with the department and ensure compliance with the policy of submitting the report 45 days after end of the year as specified in the Project Finance Manual.

Financial reporting:

The quarterly IFRs were submitted within the stipulated 45 days after end of quarter. However, management should resolve the outstanding variances noted in the quarter ending 30 September 2018, i.e. US\$ 86,787 variance in the reconciliation of Counties' balances and the US\$ 2,045,354.88 variance between the IFR closing balances and Client Connection balances.

School financial management:

The schools had constituted BOMs which are expected to provide oversight role and ensure accountability of project funds. These SIP grant benefitting BOMs and head teachers had been trained on financial management, however there was need for refresher courses and incorporation of deputy head teachers and senior teachers in the trainings for continuity.

School Audit Unit:

The School Audit Unit had conducted the risk based audit training for its staff which should enhance the unit's capability to efficiently perform school audits.

Disclosure management framework and social accountability

The financial management disclosures and social accountability at school, county and national levels were satisfactory. At the school level, there was full disclosure of the details of financial performance for funds received in a financial year, the members of BoMs and Parents representatives. Additionally, utilization and analysis of utilisation of the SIP grants was disclosed at points accessible to the community and public. The PCU disclosures to the public were on national print media and posted on both MoEST and World Bank websites.

Sl. No.	Activities	Responsible officials	Completion timeline
1.	Submit Project internal audit report to PCU and PS, MoE	Internal Audit, MoE	March 31, 2018
2.	Three month rolling cash flow management reports	Head of Project Accounting	April 30, 2018
3.	Correction of the US\$ 86,787 variance in the Counties' report	Project Coordinator	April 30, 2018
4.	Documentation of the US\$ 2,045,354.88 variance between the IFR and Client Connection	Project Coordinator	April 30, 2018