

# Program Implementation Document

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Democratic Socialist Republic of Sri Lanka:  
Secondary Education Sector Improvement Program

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## **PURPOSE OF THE PROGRAM IMPLEMENTATION DOCUMENT**

The developing member country (DMC) is wholly responsible for implementing the program supported by results-based lending (RBL). The Asian Development Bank (ADB) staff support the results-based lending program design and implementation.

The program implementation document (PID) consolidates the essential program implementation information. The PID is a management tool which supports effective program implementation, monitoring, and reporting. It is developed throughout the program processing, and should be discussed with the DMC at Loan Negotiations. It is a living document that should be refined and kept up to date during program implementation.

## ABBREVIATIONS

'A' Level	=	General Certificate of Education Advanced Level
'O' Level	=	General Certificate of Education Ordinary Level
ADB	=	Asian Development Bank
CIABOC	=	Commission to Investigate Allegations of Bribery or Corruption
CIGAS	=	Computerized Integrated Government Accounting
DLIs	=	disbursement-linked indicators
DOE	=	Department of Education
DOEP	=	Department of Educational Publications
EMIS	=	Education Management Information System
ESMP	=	environmental and social management plan
FELDM	=	Faculty of Education Leadership Development and Management
FY	=	fiscal year
GESDP	=	General Education Sector Development Plan
GRM	=	grievance redress mechanism
IEE	=	initial environmental examination
ITMIS	=	integrated treasury management information system
IVA	=	Independent Verification Agent
M&E	=	monitoring and evaluation
MOE	=	Ministry of Education
MOF	=	Ministry of Finance
MTBF	=	Medium-Term Budgetary Framework
NAO	=	National Audit Office
NIE	=	National Institute of Education
NPA	=	National Procurement Agency
NSC	=	National Program Steering Committee
PAP	=	program action plan
PBB	=	program-based budgeting
PEA	=	provincial education authority
PID	=	program implementation document
PIU	=	program implementation unit
RBL	=	results-based lending
RRP	=	report and recommendation of the president
SDC	=	School Development Committees
SDP	=	school development plans
SESIP	=	Secondary Education Sector Improvement Program
SMTSU	=	Sector Monitoring and Technical Support Unit
STMC	=	science, technology, mathematics, and commerce
TA	=	technical assistance

## I. PROGRAM DESCRIPTION

1. The proposed Secondary Education Sector Improvement Program (SESIP) will support the Government of Sri Lanka's (the government) General Education Sector Development Plan, 2020–2025<sup>1</sup> (hereafter, referred to as GESDP) in strengthening the country's secondary education system. SESIP will institutionalize systems for enhancing secondary students' learning outcomes through (i) enhancing the quality and relevance of secondary science, technology, mathematics, and commerce (STMC) programs; (ii) strengthening provincial and school capacity to implement education reforms; and (iii) strengthening sector management capacity. SESIP is designed as a results-based lending (RBL) program with a total funding of \$400 million.

2. Table 1 shows the scope of both the SESIP and the government's Education Sector Development Plan.

**Table 1: Program Scope**

Item	Broader Government Program	Results-Based Lending Program
Outcome	A transformation of the education system as a basic foundation for human resources for a knowledge-based modern global economy.	Secondary education system transformed and aligned with evolving labor force needs.
Key outputs	Four thrust areas: (i) quality of education improved, especially in science, technology, and mathematics; (ii) equity in education strengthened: equitable learning opportunities for all children; (iii) stewardship and service delivery of general education strengthened; and (iv) evidence-based education policymaking and planning enhanced.	(i) Quality and relevance of secondary STMC programs enhanced; (ii) provincial and school capacity to implement education reforms strengthened; and (iii) sector management capacity strengthened.
Expenditure size	\$11.7 billion (primary and secondary education)	\$3.2 billion (upper secondary)
Main financiers and their respective total amounts	Government, ADB, JICA, KEXIM, KOICA, OFID, UNESCO, UNICEF, and World Bank <sup>a</sup>	Government \$2.8 billion ADB \$400 million
Geographic coverage	Nationwide	Nationwide
Implementation period	2020–2025	2021–2025

ADB = Asian Development Bank, JICA = Japan International Cooperation Agency, KEXIM = Export-Import Bank of Korea, KOICA = Korea International Cooperation Agency, OFID = The Organization of the Petroleum Exporting Countries Fund for International Development, RBL = results-based lending, STMC = science, technology, mathematics, and commerce, UNESCO = United Nations Educational, Scientific and Cultural Organization, UNICEF = United Nations Children's Fund.

<sup>a</sup> Details to be found in Development Coordination (accessible from the list of linked documents in Appendix 2).

Sources: Ministry of Education and Asian Development Bank estimates.

## II. RESULTS AND DISBURSEMENT

### A. The RBL Program's Overall Results

3. The RBL program's impact will be *human resource development enhanced, supporting healthy and productive citizens and a globally competitive knowledge-centered economy*, as articulated in the 2019 national policy framework *Vistas of Prosperity and Splendour*,<sup>2</sup> as well as in the GESDP.

4. The RBL program's outcome, outputs, and indicators are summarized in the design and monitoring framework and program results framework (Tables 2 and 3). The program outcome will be *secondary education system transformed and aligned with evolving labor force needs*. The outcome will be achieved through three outputs.

<sup>1</sup> Ministry of Education (MOE), Sri Lanka. 2020. *Sri Lanka: General Education Sector Development Plan 2020–2025 (revised May 2020)*. Colombo.

<sup>2</sup> Government of Sri Lanka. 2019. [National Policy Framework: Vistas of Prosperity and Splendour](#). Colombo.

5. **Output 1: Quality and relevance of secondary science, technology, mathematics, and commerce programs enhanced.** The ADB program will foster integrated reforms to curriculum, pedagogy, and assessments. It will support a national student assessment framework and roll-out of the new assessment system. The output will also support curricula reform, by integrating practical problem-solving with cognitive and socio-emotional skills (disbursement-linked indicator [DLI] 2), using blended learning approaches.<sup>3</sup> Teachers will be trained on inquiry-based and interactive pedagogy (DLI 3), including via blended approaches and innovative modalities, such as Applied Resource Hubs (centers for practical and blended teacher training), teacher clusters as learning communities, and online and offline training. Remedial learning will help fill learning gaps from school closures. Information and communication technology (ICT) will be embedded across the curricula. A national media campaign will increase demand for STMC streams, focusing on benefits and options for post-secondary pathways. The campaign will also educate children and communities on disease risk and prevention, disaster resilience, and preparedness.

6. **Output 2: Provincial and school capacity to implement education reforms strengthened.** The program aims to reduce disparities between urban and provincial schools and empower local authorities in translating reforms into local actions. It will promote the implementation of government policy on equitable distribution of teachers (DLI 4), including monetary and non-monetary incentives. It will also strengthen the capacity of principals and provincial education authorities (PEAs) to support improved practices, approaches, and technologies. PEAs will develop a blended learning plan to tailor modes of delivery based on students' specific needs and circumstances, including short-, medium-, and long-term measures to strengthen online, and remote learning.<sup>4</sup> A budget line will be created to implement school development plans, which will help schools to meet local needs that improve learning, attract more students (especially girls) to take up STMC subjects, and reduce dropouts among boys (DLI 5). The program will also support annual performance-based partnership agreements (PPAs) between PEAs and MOE (Ministry of Education), including adequate resource allocation, especially for poorer schools (DLI 6).

7. **Output 3: Sector management capacity strengthened.** Output 3 will enhance the reliability and use of data, strengthen monitoring and evaluation (M&E) systems, and MOE capacity for research, evidence-based planning, and management (DLI 7). It will also (i) improve MOE and PEAs' fiduciary management and compliance with the government's financial and procurement regulations; (ii) strengthen MOE and PEAs' capacity for social and environmental safeguards; and (iii) ensure that all activities (under the proposed program) are gender-mainstreamed, and data and results disaggregated by sex.<sup>5</sup> An indicator not linked to disbursement focuses on the introduction and yearly application of program-based budgeting compliant with sector targets by MOE.

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<sup>3</sup> Blended learning refers to a combination of online learning, educational television and radio programs, remote learning, and classroom-based face-to-face approaches.

<sup>4</sup> Ensuring connectivity for rural communities is also a government priority. Provincial education authorities will map students' and teachers' access to devices and internet connectivity to inform their blended learning plans and tailor the delivery modes to actual needs.

<sup>5</sup> The Design and Monitoring Framework (Appendix 1) and Program Action Plan (Appendix 2) show these actions.

**Table 2: Design and Monitoring Framework**

<b>Impacts the RBL Program is Aligned with</b> Human resource development enhanced, supporting healthy and productive citizens and a globally competitive knowledge-centered economy. <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks and Critical Assumptions</b>
<b>Outcome</b> Secondary education system transformed and aligned with evolving labor force needs	<p>By 2025:</p> <p>a. A student assessment system for improving learning and 21st century skills (problem solving, creative thinking, communication, and teamwork) established (2019 baseline: not applicable). <b>DLI 1.</b><sup>b</sup> (OP 1.1.1)</p> <p>b. 21st century skills (problem solving, creative thinking, teamwork, and communication) satisfactorily applied and implemented in new curriculum, pedagogy, and assessment system (2019 baseline: not applicable) (OP 1.1.1)</p> <p>c. Student learning outcomes in 'O' Level mathematics and science subjects improved for both girls and boys, from 2024 baseline (2019 baseline: not applicable. Baseline 2024 for 'O' Level marks) (OP 1.1.1)</p>	<p>a. DOE information systems, and public reports issued on exams</p> <p>b. Evaluation report; MOE, NIE records, and DOE public reports; interviews</p> <p>c. Student test scores in the DOE information systems</p>	<p>Risk: Institutional inertia and political changes may cause delays in the adoption of new systems and their evaluation.</p> <p>Risk: Exposure of students to factors outside the education sector, such as home environment, may affect their learning outcomes.</p>
<b>Outputs</b>  1. Quality and relevance of secondary science, technology, mathematics, and commerce programs enhanced  2. Provincial and school capacity to implement education reforms strengthened	<p>By 2025:</p> <p>1a. Inquiry-based 'O' and 'A' Level blended learning curricula in program-targeted subjects developed and implemented, mainstreaming gender.<sup>c</sup> (2019 baseline: not applicable). <b>DLI 2.</b> (OP 1.1.1, OP 2.2.1)</p> <p>1b. At least 65% of grades 10–12 teachers in 'O' and 'A' Level program-targeted subjects implement inquiry-based and interactive teaching practices by online and distance learning, and face-to-face classroom instruction (<i>at least 60% women trainees</i>).<sup>d</sup> (2019 baseline: not applicable). <b>DLI 3.</b> (OP 1.1.1)</p> <p>By 2025:</p> <p>2a. At least 70% of teachers for 'O' and 'A' Level program-targeted subjects/subject streams are deployed in program schools<sup>e</sup> in accordance with MOE Circular on Determination of Teacher Cadres<sup>f</sup> (disaggregated by national/provincial schools)</p>	<p>1a. MOE and NIE information systems</p> <p>1b. MOE and NIE information systems; and evaluation reports against school education quality index and checklists</p> <p>2a. MOE and NIE information systems, verification against MOE circular, and annual provincial performance reports</p>	<p>Risk: Inadequate motivation among some trained teachers may constrain the effective application of teaching practices.</p> <p>Risk: Teacher deployment may be negatively affected by political factors outside the</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
3. Sector management capacity strengthened	<p>(2020 baseline: MOE circular not consistently followed in teacher deployment). <b>DLI 4.</b></p> <p>2b. Educational leadership to support secondary education reform strengthened:</p> <p>(i) At least 75% of principals, and assistant or deputy principals (at least 40% of them women) in program schools; and 75% of provincial/divisional/zonal education officers (at least 60% of them women) in program areas trained in instructional leadership (<i>by national/provincial schools, male/female trainees</i>) (2019 baseline: not applicable). <b>DLI 5a.</b> (OP 6.1.1, OP 2.3.1)</p> <p>(ii) At least 70% of program schools have implemented SDP strategies for (a) improving learning outcomes in STMC subjects, (b) attracting and increasing girls in STMC subjects, and (c) reducing dropouts among boys (<i>by national/provincial program schools</i>). (2019 baseline: not applicable). <b>DLI 5b.</b> (OP 2.2.1)</p> <p>2c. All performance-based partnership agreements between MOE and PEAs aligned with the priority educational reform agenda each year (2019 baseline: not applicable). <b>DLI 6.</b> (OP 6.2.1.)</p> <p>3a. By 2025, all key sector indicators, including sex-disaggregated data, from MOE, NIE, and DOE made publicly available on the MOE website and published as annual sector performance reports (2019 baseline: no integrated M&amp;E system producing consolidated sector indicators or performance reports). <b>DLI 7.</b></p> <p>3b. By 2023, program-based budgeting compliant with sector targets at MOE introduced and applied yearly (PAP) (2019 baseline: not applicable) (OP 6.2.2)</p>	<p>2b (i). MOE and NIE information systems, attendance lists, training completion certificates and post training tests</p> <p>2b (ii). MOE and NIE information systems, and annual provincial performance reports</p> <p>2c. MOE and NIE information systems; approved annual agreements and workplans between MOE and PEAs</p> <p>3a. MOE information systems, and annual sector performance report</p> <p>3b. Annual planning and budgeting reviews at MOE</p>	<p>program's control.</p> <p>Risk: Resistance of local communities may hamper implementation of SDP strategies.</p> <p>Risk: Political factors may impede data sharing and integration.</p>

#### Key Program Actions

(Full list of actions is in the PAP)

#### 1. Quality and relevance of secondary science, technology, mathematics, and commerce programs enhanced by 2025.

1.1 Conduct pilot studies of students' learning outcomes in 2021 and feed results into development of new curricula and new assessment design (2021).

1.2 Incorporate student counseling and blended learning approaches as well as awareness and prevention of communicable diseases, as and where appropriate, into new curricula (2021).



<p>1.3 Undertake international benchmarking studies of new 'O' Level and 'A' Level exams (2021–2022).</p> <p>1.4 Institute a system to monitor (i) appropriateness of training on new assessments, and (ii) effective implementation in schools (2021–2025).</p> <p>1.5 Develop minimum standards for facilities, and equipment for functioning innovation laboratories, for STMC subjects (2021).</p> <p>1.6 Implement teacher capacity development using one or more of the following modalities or professional learning communities: (i) school-based professional development; (ii) Applied Resource Hubs; (iii) teacher clusters; and (iv) online teacher training (2022–2025).</p> <p><b>2. Provincial and school capacity to implement education reforms strengthened by 2025.</b></p> <p>2.1 Review, design, and implement a system of monetary and/or non-monetary incentives, as appropriate, for teachers to work in schools in disadvantaged areas, teaching STMC subjects (2021).</p> <p>2.2 Develop and implement a policy to increase intake and/or rationally deploy 'O' Level teachers in mathematics and science as required, based on needs assessment (2021).</p> <p>2.3 Approve and implement a policy on teacher incentives to support teacher deployment in schools in disadvantaged areas, and establish a mechanism for tracking and reporting the budget allocations and expenditures incurred for implementing the teacher incentive policy (2021).</p> <p>2.4 Establish a separate budget line for school grants to implement the school development plans, and report on the budget allocations and expenditures incurred when implementing the school development plans (2021).</p> <p>2.5 Develop a standardized/common PPA template, including DLIs, specific activities, and targets for provinces to submit annual proposals (2021).</p> <p><b>3. Sector management capacity strengthened.</b></p> <p>3.1 Undertake diagnostic study on current M&amp;E practices and status of EMIS and related capacity development needs (2021).</p> <p>3.2 Formulate and implement action plan for capacity development of national and field staff on M&amp;E, EMIS, and research (2021–2024).</p> <p>3.3 Develop advocacy and communication plan to disseminate data, education sector performance reports, and thematic research reports to key stakeholders (2022).</p> <p>3.4 Ensure that annual budget is aligned with the medium-term expenditure framework of GESDP in terms of prioritization, and ensure budget adequacy and timely release as per GESDP medium-term budgetary framework (2020–2025).</p> <p>3.5 <i>Program-Based Budgeting</i>: Build capacity to (i) undertake PBB; and (ii) introduce PBB with a model for forecasting sector resource needs compliant with sector targets at MOE and in provinces; provide training in applying government's budget classification system and prepare budgets in a correct and consistent manner at MOE and in provinces (2021–2025).</p> <p>3.6 <i>External audit</i>: First, monitor the number of recurring audit qualifications/observations reported by NAO from the previous year. Each entity to develop and implement a time-bound action plan to resolve any recurring audit qualifications/observations in a systematic manner. Second, all material external audit observations to be resolved in a timely manner as follows: at least of 50% of all material audit observations are implemented within 6 months of the date of the audit report, and 100% of material audit recommendations are implemented within 18 months of the date of the audit report in which the matter was first raised.</p> <p>3.7 <i>Procurement</i>: Adopt all fiduciary provisions of the procurement guidelines of NPA, especially preparation of master procurement plan, annual procurement plans, use of standard bidding documents, open competitive bidding, advertisement of bid invitation, and contract awards. Monitor implementation of procurement to keep to procurement time schedules. At least 70% of planned procurement indicated in the annual procurement plans must be accomplished within the year initially targeted, and gradually improved to 80%. The first year shall be counted from January 2021 to December 2021. This refers to contract awards only.</p> <p>3.8 <i>Safeguards</i>: Develop a monitoring system for the implementation of ESMPs and IEEs, and implement ESMPs and IEEs. Capacity building on safeguards and in preparing checklists and ESMPs for MOE and PEAs. Identify due diligence requirement based on civil works assessment in Year 1; and confirm number of checklists, ESMPs, and IEEs to be completed with dates (2021–2025).</p> <p><b>Program management:</b>  Establish a mechanism of quarterly review of DLI status by key decision makers, perform corrective actions as required, and share minutes of DLI quarterly reviews with ADB (2021–2025).  Ensure that all relevant/possible data on program results, DLI targets, and program processes are systematically disaggregated by sex (2021–2025).  Ensure that all needs analyses, capacity, and materials development are gender mainstreamed (2021–2025).</p>
<p><b>Total Program Financing</b>  Total financing program from 2020 to 2025: \$3,201.3 million  Government: \$2,801.3 million  ADB (RBL): \$400 million (loan)</p>

'A' Level = General Certificate of Education Advanced Level; 'O' Level = General Certificate of Education Ordinary Level; ADB = Asian Development Bank; DLI = disbursement-linked indicator; DMF = design and monitoring framework; DOE = Department of Examinations; EMIS = education management information system; ESMP = environmental and social management plan; GESDP = General Education Sector Development Plan; IEE = initial environmental examination; M&E = monitoring and evaluation; MOE = Ministry of Education; NAO = National Audit Office; NEMIS = national education management information system; NIE = National Institute of Education; NPA = National Procurement Agency; NPC = National Procurement Commission; OP = operational priority; PAP = program action plan; PEA = provincial education authority; PPA = performance-based partnership agreement; RBL = results-based lending; SDP = school development plan; STMC = science, technology, mathematics, and commerce.

<sup>a</sup> Government of Sri Lanka. 2019. *National Policy Framework: Vistas of Prosperity and Splendour*. Colombo; and MOE, Sri Lanka. 2020. *Sri Lanka: General Education Sector Development Plan 2020–2025*. Colombo.

<sup>b</sup> The new assessment for grade 11 / 'O' Level examination will be implemented in 2024.

<sup>c</sup> At 'O' Level, the RBL program will target science and mathematics, which are referred to as program 'O' Level subjects. At 'A' Level, the program will target the following 'A' Level streams and 11 subjects referred to as program 'A' Level subjects—science (physics, chemistry, and biology); combined mathematics; technology (engineering technology, biosystems technology, and science for technology); commerce (business studies, accounting, economics, and information and communication technology).

<sup>d</sup> This is a new program for improving teaching practices in Sri Lanka. Inquiry-based means students investigate problems and issues, and build their understanding from the evidence they gather. Interactive teaching means that students collaborate, discuss, and evaluate knowledge and arguments to derive understanding. Applied problems mean practical issues and challenges that are familiar to students in their everyday contexts. All technical terms are defined further in the verification protocols. The new curriculum will incorporate blended learning approaches as well as awareness and prevention of communicable diseases, as and where appropriate. Blended learning approaches refer to a combination of online learning, educational television or radio programs, remote learning, and classroom-based face-to-face approaches.

<sup>e</sup> Program schools are 750 schools that provide STMC streams, of which 80% are provincial schools.

<sup>f</sup> The criteria for teacher deployment as per the MOE circular include, among others, student–teacher ratio, teacher qualifications and experience, and location of school.

#### **Contribution to Strategy 2030 Operational Priorities**

The expected values and methodological details for all OP indicators to which this operation will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

Sources: Asian Development Bank and Ministry of Education.

Table 3: Program Results Framework

Result Indicator	DLI (Yes/No)	Baseline Value/ Baseline Year	Prior Results 2019	Target Values of Results Indicators				
				2021	2022	2023	2024	2025
<b>Outcome: Secondary education system transformed and aligned with evolving labor force needs by 2025.</b>								
1. A student assessment system for improving learning and 21st century skills established by 2025. <sup>a</sup>	Yes DLI 1	2019 baseline: Not applicable		(i) NSAF developed in accordance with new curriculum and approved.  (ii) At least 75% of DOE, NIE, MOE and DOEP staff trained on developing a new assessment system-based on NSAF and the new curriculum (at least 50% female trainees).	New assessment modules for 'O' and 'A' Level program-targeted subjects developed, based on NSAF and the new curriculum		'O' Level examination in mathematics and science based on the new curriculum and assessment system held for first cohort of students. <sup>b</sup>	'O' Level examination in mathematics and science based on new curricula and assessment system held for second cohort of students. <i>(with results reported by national/provincial schools; girls/boys).</i>
2. 21st century skills satisfactorily applied and implemented in new curriculum, pedagogy, and assessment system by 2025.	No	2019 baseline: Not applicable					Evaluation of the new and old curriculum, pedagogy and assessment system conducted.	Evaluation of new and old curriculum, pedagogy and assessment system published.
3. Student learning outcomes in 'O' Level mathematics and science subjects improved for both girls and boys, from 2024 baseline. <i>(disaggregated)</i>	No	2019 baseline: Not applicable  Baseline 2024 for 'O' Level marks.					'O' Level examination in mathematics and science held based on new curricula and new assessment and results analyzed	Students' learning outcomes in 'O' Level mathematics and science subjects improved for both girls and boys, from 2024 baseline. <i>(with results disaggregated by</i>

Result Indicator	DLI (Yes/No)	Baseline Value/ Baseline Year	Prior Results 2019	Target Values of Results Indicators				
				2021	2022	2023	2024	2025
<i>by female/male students).</i>							disaggregated by sex.	<i>female / male students).</i>
<b>Output 1: Quality and relevance of secondary science, technology, mathematics, and commerce programs enhanced by 2025.</b>								
3. Inquiry-based 'O' and 'A' Level blended learning curricula <sup>c</sup> in program-targeted subjects developed and implemented, mainstreaming gender by 2025. <sup>d</sup>	Yes DLI 2	2019 baseline: No new curricula integrating 21st century skills.	National curricula framework developed.	(i) Inquiry-based blended learning curricula developed for 'O' and 'A' Level program-targeted subjects for grades 10–13, mainstreaming gender.  (ii) Gender sensitive national media campaign and implementation plan developed to raise awareness on communicable disease risk, benefit of blended learning approaches, new STMC curriculum, pedagogy and assessment system which integrate 21st century skills and meet labor market needs. <sup>e</sup>  (iii) All instructional materials for 'O' and 'A' Level program-targeted subjects for grades 10–13 developed/ revised as appropriate and approved, including online/distance learning modules on selected topics.	Gender sensitive national media campaign launched to raise awareness on blended learning approaches, communicable disease risk, new STMC curriculum, pedagogy and assessment system which integrate 21st century skills and labour market needs.	Inquiry-based blended learning curricula for grade 10 'O' Level program-targeted subjects, mainstreaming gender, implemented, in all schools.	(i) Inquiry-based blended learning curricula for grade 11 'O' Level program-targeted subjects, mainstreaming gender implemented in all schools. (ii) All innovation laboratories have been established and are being used to support practical learning in STMC subjects. <sup>c</sup>	Inquiry-based blended learning curricula for grades 10 and 11 ('O' Level) and grade 12 ('A' Level) program-targeted subjects implemented, mainstreaming gender. (by national/provincial schools) ( <i>reporting by national/provincial schools</i> )
4. Teachers implement inquiry-based and interactive teaching practices by online and distance learning, and face-to-face classroom	Yes DLI 3	2019 baseline: 0 teachers trained in new curricula.	Teacher Standards Framework Developed.	(i) National Applied Resource Hub at NIE and Provincial Applied Resource Hubs <sup>f</sup> are staffed and equipped as per criteria/ minimum standards established by NIE and include a pool of resource trainers for Sinhala and Tamil medium and bilingual education.  (ii) Teacher training modules for grades 10-13 new 'O' and 'A'	(i) TOT for at least 50% staff and pool of trainers at National and Provincial Applied Resource Hubs completed in 'O' Level	(i) TOT for at least 80% of staff and pool of trainers at National and Provincial Applied Resource Hubs completed in 'O' Level	(i) TOT for at least 80% staff and pool of trainers at National and Provincial Applied Resource Hubs completed in 'A' Level	At least 65% of grades 10-12 teachers in 'O' and 'A' Level program-targeted subjects implement inquiry-based and interactive teaching practices by

Result Indicator	DLI (Yes/No)	Baseline Value/ Baseline Year	Prior Results 2019	Target Values of Results Indicators				
				2021	2022	2023	2024	2025
instruction in 'O' and 'A' Level program-targeted subjects. <i>(reporting by female/male teachers).</i>				Level program-targeted subjects', including content for online teacher training, developed based on the Teacher Standards Framework, and approved	program-targeted subjects, including inquiry based and interactive teaching, blended learning instruction and remedial teaching <i>(at least 60% women trainees).</i>  (ii) At least 80% of grade 10 teachers in 'O' Level program-targeted subjects' trained on inquiry based and interactive teaching, blended learning instruction and remedial teaching <i>(at least 60% women trainees).</i>	program-targeted subjects (cumulative), including inquiry based and interactive teaching, blended learning instruction and remedial teaching <i>(at least 60% women trainees).</i>  (ii) At least 80% of grade 11 teachers in 'O' Level program-targeted subjects' trained on inquiry based and interactive teaching, blended learning instruction and remedial teaching <i>(at least 60% women trainees).</i>  (iii) TOT for at least 50% staff and pool of	program-targeted subjects (cumulative), including inquiry based and interactive teaching, blended learning instruction and remedial teaching <i>(at least 60% women trainees).</i>  (ii) At least 60% of teachers in 'A' Level program-targeted subjects' trained on inquiry based and interactive teaching, blended learning instruction and remedial teaching <i>(at least 60% women trainees).</i>	online and distance learning, and face-to-face classroom instruction <i>(at least 60% women trainees).</i>

Result Indicator	DLI (Yes/No)	Baseline Value/ Baseline Year	Prior Results 2019	Target Values of Results Indicators				
				2021	2022	2023	2024	2025
						trainers at National and Provincial Applied Resource Hubs completed in 'A' Level program-targeted subjects including blended learning approaches and remedial instruction ( <i>at least 60% women trainees</i> ).	(iii) At least 60% of grades 10-11 teachers in 'O' Level program-targeted subjects implement inquiry-based and interactive teaching practices by online and distance learning, and face-to-face classroom instruction ( <i>at least 60% women trainees</i> ).	
<b>Output 2: Provincial and school capacity to implement education reforms strengthened by 2025.</b>								
5. Teacher deployment in 'O' and 'A' Level program-targeted subjects improved in program schools. <sup>9,h</sup>	Yes, DLI 4	2020 baseline: MOE Circular on Determination of Teacher Cadres not consistently followed in teacher deployment		(i) School-based teacher mapping completed to set baseline for program schools.  Percentage of teachers for program-targeted subjects and subject streams deployed in accordance with MOE Circular on Determination of Teacher Cadres increased from baseline in at least 50% of program schools for 'O' Level and 20% of program schools for 'A' Level.	Percentage of teachers for program-targeted subjects and subject streams deployed in accordance with MOE Circular on Determination of Teacher Cadres	Percentage of teachers for 'A' Level program-targeted subject streams deployed in accordance with MOE Circular on Determination of Teacher Cadres	Percentage of teachers for 'A' Level program-targeted subject streams deployed in accordance with MOE Circular on Determination of Teacher Cadres	At least 70% of teachers for 'O' Level program-targeted subjects and 'A' Level program-targeted subject streams are deployed in program schools in accordance with MOE Circular on Determination of

Result Indicator	DLI (Yes/No)	Baseline Value/ Baseline Year	Prior Results 2019	Target Values of Results Indicators				
				2021	2022	2023	2024	2025
					increased from previous year in at least 70% of program schools for 'O' Level and 40% of program schools for 'A' Level.	increased from previous year in at least 60% of program schools.	increased from previous year in at least 70% of program schools.	Teacher Cadres (by national/ provincial schools).
6. Educational leadership to support secondary education reform strengthened.	Yes, DLI 5	2019 baseline:  (i) 0% of 3,200 Principals, Assistant Principals and Deputy Principals trained.  (ii) 0% of 200 Provincial, Divisional and Zonal Education Officers and 200 science and math ISAs and directors trained.  2019 baseline: 0% SDPs implemented		(i) Instructional leadership modules aligned to the new curriculum developed and approved.  (ii) TOT on Instructional leadership completed for 75% of FELDM trainers.  (iii) At least 25% of Principals, Assistant Principals and Deputy Principals in program schools trained in instructional leadership (with at least 40% women trainees)  (iv) At least 25% of Provincial, Divisional and Zonal Education Officers, and science and mathematics ISAs and directors trained in instructional leadership (with at least 60% women trainees)  (v) at least 80% of innovation laboratories equipped in accordance with the Minimum Standards.	(i) At least 50% of Principals, Assistant Principals and Deputy Principals in program schools trained in instructional leadership (with at least 40% women trainees)  (ii) At least 50% of Provincial, Divisional and Zonal Education Officers, and science and mathematics ISAs and directors trained in instructional leadership	(i) At least 75% of Principals, Assistant Principals and Deputy Principals in program schools trained in instructional leadership (with at least 40% women trainees)  (ii) At least 75% of Provincial, Divisional and Zonal Education Officers, <sup>h</sup> and science and mathematics ISAs and directors trained in instructional leadership	At least 40% of program schools have implemented SDP strategies for (a) improving learning outcomes in STMC subjects; (b) attracting and increasing girls into STMC subjects; and (c) reducing the dropout rate for boys.	At least 70% of program schools have implemented SDP strategies for (a) improving learning outcomes in STMC subjects; (b) attracting and increasing girls into STMC subjects; and (c) reducing the dropout rate for boys.

Result Indicator	DLI (Yes/No)	Baseline Value/ Baseline Year	Prior Results 2019	Target Values of Results Indicators				
				2021	2022	2023	2024	2025
		d in support of reforms.		(vi) Each province has prepared and approved a time-bound implementation plan for blended learning to support secondary education.  (vii) Budget line created for the provision of school grants for implementing the SDPs	(with at least 60% women trainees)  (iii) At least 20% of SDPs in program schools include strategies for (a) improving learning outcomes in STMC subjects; (b) attracting and increasing girls in STMC subjects; (c) reducing the dropout rate for boys.	(with at least 60% women trainees)  (iii) At least 40% of SDPs in program schools include strategies for (a) improving learning outcomes in STMC subjects; (b) attracting and increasing girls into STMC subjects; and (c) reducing the dropout rate for boys.		
7. All performance-based partnership agreements between MOE and provincial education authorities aligned with the priority educational reform agenda for each year.	Yes, DLI 6	2019 baseline: no institutional mechanism to ensure alignment between performance-based partnership agreements and the priority educational reform agenda.		Performance-based partnership agreements reviewed and updated for all nine Provinces to align provincial and national work plans, supporting the priority educational reform agenda. <sup>1</sup>	Performance-based partnership agreements reviewed and updated for all nine Provinces to align provincial and national work plans, supporting the priority educational reform agenda.	Performance-based partnership agreements reviewed and updated for all nine Provinces to align provincial and national work plans, supporting the priority educational reform agenda.	Performance-based partnership agreements reviewed and updated for all nine Provinces to align provincial and national work plans, supporting the priority educational reform agenda.	Performance-based partnership agreements reviewed and updated for all nine Provinces to align provincial and national work plans, supporting the priority educational reform agenda.
<b>Output 3: Sector management capacity strengthened.</b>								



Result Indicator	DLI (Yes/No)	Baseline Value/ Baseline Year	Prior Results 2019	Target Values of Results Indicators				
				2021	2022	2023	2024	2025
8. All key education sector indicators and performance reports publicly available by 2025.	Yes, DLI 7	2019 baseline: No integrated monitoring and evaluation system producing consolidated sector indicators or performance reports.		(i) Standing Committee for developing, approving, and coordinating the implementation of the Monitoring and Evaluation Framework (M&F Framework) for the education sector and NEMIS Policy established.  (ii) M&E Framework and NEMIS Policy and action plan finalized and approved. <sup>j</sup>  (iii) ICT equipment installed in accordance with the NEMIS action plan.  (iv) Educational research guidelines and protocols finalized and approved.	Education system monitoring formats, definitions, and user guides standardized across MOE, provincial and zonal levels, and data quality standards developed (including on the use of data). <sup>k</sup>	NEMIS online data collection and verification system installed and operational in all nine provinces	Training for 75% MOE, DOE, NIE, DOEP, Zonal, and Provincial M&E and NEMIS staff in using new standards and tools completed ( <i>at least 60% female trainees.</i> )	All key sector indicators (including sex-disaggregated data) from MOE, NIE, and DOE made publicly available on the MOE website and published as annual education sector performance reports by 2025. <sup>l</sup>
9. By 2023, Program-based Budgeting compliant with sector targets at MOE introduced and applied yearly.	No	2020 baseline: PBB not applied.		Build capacity to undertake PBB.	Build capacity to undertake PBB	Introduce PBB with a model for forecasting sector resource needs compliant with sector targets at MOE and Provincial levels.	PBB compliant with sector targets at MOE applied.	PBB compliant with sector targets at MOE applied.

'A' Level = General Certificate of Education Advanced Level, 'O' Level = General Certificate of Education Ordinary Level, ADB = Asian Development Bank, DLI = disbursement-linked indicator, DOEP = Department of Educational Publications, DOE = Department of Examinations, EMIS = education management information system, FELDM = Faculty of Education Leadership Development and Management, ICT = Information and Communication Technology, ISAS = In Service Advisors, IT = information technology, M&E = monitoring and evaluation, MOE = Ministry of Education, NSAF = National Student Assessment Framework, NEMIS = National Education Management Information System, NIE = National Institute of Education of Sri Lanka, PBB = program-based budgeting, SDG = Sustainable Development Goal, SDP = school development plan, STMC = science, technology, mathematics, and commerce, TOT = Training of Trainers.

Note: "Program schools" are 750 provincial schools providing the four upper secondary subject streams (1AB) and 100 national (1AB) schools, identified as in endnote 7 below.

<sup>a</sup> SESIP will target 'O' Level science and mathematics and which will hereafter be referred to as program 'O' Level subjects.

- <sup>b</sup> Implementation of 'O' Level examinations are aligned to NIE curriculum implementation cycle. grade 10 is the 'O' Level first year program to be implemented in 2023; grade 11 refers to second year 'O' Level; grade 12 refers to 'A' Level first year. 'O' Level exams mean those held by the national authorities of Sri Lanka and not those held by other authorities such as the United Kingdom examination boards.
- <sup>c</sup> While developing the curriculum for 'O' and 'A' Level subjects, NIE will also develop the minimum standards for facilities and equipment and the criteria for practical activities to be undertaken in innovation laboratories for STMC subjects. Science and technology laboratories have been provided to provincial schools under the 1,000 Schools Program, but these remain under-utilized as the curricula and corresponding pedagogy have been focused on rote learning with limited practical application. There are also mathematics and ICT laboratories in these schools. These laboratories will be used as innovation laboratories in the SESIP supported program schools for hands-on learning in STMC subjects and will need to comply with the minimum standards for the conduct of practical science, technology, mathematics, and IT/commerce activities aligned with the new curricula, developed by NIE. The new curriculum will incorporate blended learning approaches as well as communicable diseases awareness and prevention, as and where appropriate. Blended learning approaches refer to a combination of online learning, educational television/ radio programs, remote learning, and classroom-based face-to-face approaches.
- <sup>d</sup> SESIP will target the following 'A' Level stream/ subjects: science (physics, chemistry, and biology); combined mathematics; technology (engineering technology, bio-systems technology, and science for technology); commerce (business studies, accounting, economics, and ICT). This is a total of 11 subjects and these will hereafter be referred to as program 'A' Level subjects. There are Tamil, Sinhalese, and bi-lingual schools in the current education system. All materials including textbooks will be developed and translated in both Sinhalese and Tamil languages and teacher training will also include both languages.
- <sup>e</sup> Media campaign includes the use of various media (mass media, e-platforms, and/or interpersonal communication) as appropriate for the target audience in both urban and rural settings, with information on the education reforms - on the new curriculum, new inquiry-based teaching practices and assessment systems—and in particular on its benefits for developing students with adaptive and interdisciplinary, 21st century skills required for the modern global economy and in line with future labor market needs. The media campaign will use various formats for the different groups of stakeholders in order to reach them. These may include editorials in newspapers, radio/TV talk shows, radio/TV spots or commercials, e-materials for internet/ MOE website, interpersonal communication, as appropriate, on the nature of the education reforms and the need for these reforms, future of education in Sri Lanka, materials to allay concerns of parents and general public on the education reforms, deployment of teachers in provincial schools and dissemination of the fact that all teachers will be trained on new curriculum and encourage parents to send children to provincial 1AB schools; and that additional support will be provided to provincial 1AB schools to build their capacity, and encouraging girls to take up STMC subjects, etc. 1AB schools are schools providing the four upper secondary streams.
- <sup>f</sup> The teacher training facilities are dispersed throughout the country covering all provinces. There is also one teacher training laboratory at NIE at the national level. These and other facilities, as identified, will be potentially converted to Applied Resource Hubs which will be used for the conduct of practical science, mathematics, technology, and IT/commerce activities for teacher training. Criteria for Applied Resource Hubs would be that at least one such Hub is located in every district and within easy distance of the project-supported schools making it convenient for teachers to attend the training. NIE will develop the criteria/minimum standards for Applied Resource Hubs for teacher training in new pedagogy. A survey of these teacher training facilities plus NIE hub will be conducted to identify staff and equipment needs against the NIE criteria/minimum standards for Applied Resource Hubs. A pool of trainers for each subject in both languages where applicable, will need to be identified at national and provincial levels to act as resource trainers for Applied Resource Hubs.
- <sup>g</sup> SESIP will target around 750 1AB schools of which 80% or 600 will be provincial 1AB schools—hereafter these will be referred to as program-targeted schools. These provincial schools have the potential of offering the 4 streams - science, technology, mathematics, and commerce streams—but are hampered by a range of key challenges including, lack of teachers, lack of effective pedagogy, lack of use of the science labs, etc. Criteria for selection of provincial schools: (i) location of school in province, rural/ remote and/ or marginalized area; (ii) location of school vis-à-vis feeder schools; and (iii) location of schools vis-à-vis proximity to national schools or to fully pledged provincial schools in high demand.
- <sup>h</sup> Deployment means recruitment, placement, and redeployment.
- <sup>i</sup> Performance-based partnership agreements will (i) review achievements and challenges faced by provinces; (ii) outline targets, related strategies, budgets and accountabilities for improving learning outcomes, attracting and increasing students, especially girls into STMC; (iii) improving pedagogy; (iv) adopt cross learning/sharing opportunities; and (v) implement performance-based allocation to provide support to lagging schools to improve their performance against key reform indicators, as outlined in SDPs.
- <sup>j</sup> The integrated M&E framework approval will include the following aspects: document drafted, reviewed, and validated by the Standing Committee. M&E framework will include the list of key indicators from the different institutions to be tracked in NEMIS. The policy will also lay out the technical issues with regard to online database, procedures for capturing and processing data, with suggestions for enhancing the present arrangement.

- <sup>k</sup> The present monitoring formats used at MOE, provincial, and zonal levels will be standardized to ensure the data reported are consistent and uniform across all levels. This would enable the monitoring of programs and projects effectively. For the new/revised formats developed, user guides will be produced to provide guidelines on filling the formats (paper/online). Guides will also provide clear definitions and explanation of various reporting items. Data quality standards will be developed based on data quality assessment in consultation with DCS.
- <sup>l</sup> Annual Education Sector Performance Reports can include data analysis on equitable access and participation in the primary and secondary education; trends in student performance and learning outcomes, progress made in empowerment of professional staff, education expenditure analysis, and progress towards national goals and SDG 4 targets.

Source: Asian Development Bank and Ministry of Education.

## B. Disbursement-Linked Indicators

8. SESIP DLIs are a set of time-bound targets and comprise a mix of outcome and output indicators that relate to key program components. Table 4 summarizes the essential information on these DLIs, while Tables 5 and 6 provide the DLI verification protocols and the expected disbursement allocation and schedule.

**Table 4: Summary of Disbursement-Linked Indicators**

Indicator	Disbursement Allocated (\$ million)	Share of Total ADB Financing (%)
<b>Outcome:</b>		
1. A student assessment system for improving learning and 21st century skills (problem solving, creative thinking, communication, and teamwork) established.	80	20%
<b>Outputs</b>		
2. Inquiry-based 'O' and 'A' Level blended learning curricula in program-targeted subjects developed and implemented, mainstreaming gender.	76	19%
3. At least 65% of grades 10–12 teachers in 'O' and 'A' Level program-targeted subjects implement inquiry-based and interactive teaching practices through online and distance learning, and face-to-face classroom instruction ( <i>female/male</i> ).	76	19%
4. At least 70% of teachers for 'O' and 'A' Level program-targeted subjects/subject streams are deployed in program schools in accordance with MOE Circular on Determination of Teacher Cadres <sup>a</sup> ( <i>by national/provincial schools</i> ).	60	15%
5. Educational leadership to support secondary education reform strengthened:		
(i) At least 75% of principals, assistant and deputy principals in program schools (at least 40% of them women), and 75% of provincial/divisional/zonal education officers in program areas (at least 60% of them women) trained in instructional leadership ( <i>national/provincial schools, male/female trainees</i> ).	28	7%
(ii) At least 70% of program schools have implemented SDP strategies for (a) improving learning outcomes in STMC subjects, (b) attracting and increasing girls in STMC subjects, and (c) reducing dropouts among boys ( <i>by national/provincial program schools</i> ).	40	10%
6. All performance-based partnership agreements between MOE and provincial education authorities aligned with the priority educational reform agenda each year.	20	5%
7. All key sector indicators, including sex-disaggregated data, from MOE, NIE, and DOE made publicly available on the MOE website and published as annual sector performance reports.	20	5%
<b>Total</b>	<b>400</b>	<b>100%</b>

'A' Level = General Certificate of Education Advanced Level; 'O' Level = General Certificate of Education Ordinary Level; ADB = Asian Development Bank; DOE = Department of Examinations; MOE = Ministry of Education; NEMIS = National Education Management Information System; NIE = National Institute of Education; SDP = school development plan; STMC = science, technology, mathematics, and commerce.

<sup>a</sup> The criteria for teacher deployment as per MOE circular include, among others, student–teacher ratio, teacher qualifications and experience, and location of school.

Source: Ministry of Education and Asian Development Bank.

## C. Disbursement Linked Indicator Verification Protocols

9. MOE may submit a withdrawal application periodically upon verification of achievement of DLI by an Independent Verification Agent (IVA). Disbursements are allowed for early or delayed achievement of DLIs. Scalable disbursement is allowed for DLIs where applicable. The general steps in the verification and withdrawal application procedure are as follows.

- (i) MOE will collect all reports and information necessary to verify accomplishment of the DLI and prepare a draft DLI achievement report which refer to the month and year of the targeted DLI achievement indicated in the DLI table.
- (ii) The designated official from MOE will assess the achievement of the DLIs and authorize the DLI achievement report to be shared with the designated IVA.

- (iii) The designee from the designated IVA will assess the achievement of the DLIs and prepare a letter of confirmation of achievement that will be discussed and confirmed with Asian Development Bank (ADB). In case the external IVA or ADB identify issues with the DLI achievement, these concerns will be relayed to MOE within two months of its receipt of the achievement report.
- (iv) Once the IVA and ADB have confirmed the achievement of a DLI, MOE submits the withdrawal application to ADB accompanied by evidence of DLI achievement.
- (v) The withdrawal application can be submitted in the same year the DLI is achieved or any subsequent year depending upon the government's financial needs.

#### **D. Independent Verification Agent**

10. The DLI verification protocol is part of the RBL program's M&E and reporting arrangements, and should provide assurance that disbursements will be made based on credible results. IVAs will be recruited by the government from its own resources or from the RBL resources. ADB needs to be satisfied with the competence, capacity, and credibility of the verifying agent to provide credible verification. To avoid any perceived conflicts of interest, technical assistance grant resources of ADB may not be used for financing IVA, as all consultants recruited under a technical assistance (TA) grant are supervised by ADB.

Table 5: Disbursement-Linked Indicator Verification Protocols

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
<b>DLI 1: A student assessment system for improving learning and 21st century skills established by 2025.</b>				
<p><b><u>2019 baseline:</u></b> No assessments yet based on new curriculum.</p>	<p><i>Program schools</i> are selected by MOE to satisfy the following criteria: Type 1AB schools: At least 750 schools of which 80% are provincial schools. The criteria for the selection of provincial schools are (i) the location of the school should be in rural, remote or marginalized areas; (ii) the school should have a sufficient number of feeder schools; and (iii) the provincial school must not be too close to national schools, since parents will then not send their children to the provincial school; and The exact number of schools to be selected for the program will be finalized after analysing the data as per the criteria indicated in the verification protocol.</p>			
<p><b><u>(Date) 2021:</u></b> (i) NSAF developed in accordance with new curriculum and approved.</p>	<p>(i) The target is considered met when the NSAF has been developed, approved, and satisfies the following criteria:</p> <ul style="list-style-type: none"> <li>• NSAF identifies and describes the types and purposes of academic assessments for students which will be undertaken. Such academic assessments will include (i) measures and judgments of students' skills, achievements and progress; (ii) classroom-based assessments and large-scale national assessments; (iii) formal as well as informal assessments; (iv) traditional tests and examinations as well as innovative measures; and (v) the timing of such assessments and the manner in which they will be reported;</li> <li>• The <i>framework</i> will include information about student learning outcomes, evidence about 21st century skills, and assessment plans, resources, and reports, as specified below.</li> <li>• NSAF sets out the concepts, the content and student ability (practices, thinking skills) that form the basis for assessment in the subject. It sets out distribution and types of items, and achievement levels for assessments. It also presents content in</li> </ul>	(i) DOE, one time in 2021	(i) MOE/DOE prepares an attestation that the DLI is met and attaches the NSAF. The IVA will verify the NSAF against the agreed criteria.	(i) If target is achieved, 50% of the annual allocation for this DLI is disbursed. Rollover: Yes

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
	<p>detailed, grade-specific charts to show the progression in complexity of ideas across grades. The NSAF is in line with national and international assessments (e.g., Trends in International Mathematics and Science Study (TIMSS) and Programme for International Student Assessment (PISA). It includes the use of interactive computer tasks and hands-on, team problem-solving tasks in the classroom, and other innovative assessment approaches.</p> <ul style="list-style-type: none"> <li>NSAF will be aligned with the new curricula, instruction, and assessments so that students are able to understand their academic strengths and weaknesses.</li> </ul> <p>NSAF will be developed and approved by DOE in coordination with NIE, MOE, and DOEP in the following manner:</p> <ul style="list-style-type: none"> <li>DOE will establish a committee with representation from MOE, DOE, NIE, and DOEP to take responsibility and lead this action:</li> <li>invite reputable international and national experts to conduct workshops for key internal and external stakeholders to explain why the development of the NSAF is essential, what should be included in the NSAF, and how it may be implemented once it has been finalized and approved;</li> <li>develop a discussion paper and share it with key stakeholders; and</li> <li>develop a road map to outline how the NSAF may be operationalized.</li> </ul>			
(ii) At least 75% of DOE, NIE, MOE, and DOEP staff trained on developing a new assessment system-based on NSAF and the new curriculum (at least 50% female trainees).	(ii) MOE has subject directors for all the subjects and will be involved in this process. The target is satisfied when the identified staff from MOE, DOE, NIE, and DOEP have successfully completed the prescribed training, as evidenced by each trainee from MOE, DOE, NIE, and DOEP being provided with a training completion certificate given by a trainer or training institute officially recognized by MOE/DOE.	(ii) DOE, NIE, and DOEP, one time in 2022	(ii) MOE/DOE prepares an attestation confirming that the DLI is met and attaches the relevant training completion report. The IVA will verify these records.	(ii) If target is achieved, 50% of the annual allocation for this DLI is disbursed. Rollover: Yes. If partially achieved, disbursement will be proportional to

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
				progress made towards full target achievement.
<p><b>(Date) 2022:</b> New assessment modules for 'O' and 'A' Level program-targeted subjects developed, based on NSAF and the new curriculum.</p>	<p>The target is satisfied when DOE approves the completion of new assessment modules for 'O' and 'A' Level program-targeted subjects. The criteria for the new assessment modules will be prepared in 2021 during program implementation to be in line with NSAF and the new curriculum and approved by DOE and MOE. <i>Program-targeted subjects</i> are:</p> <ul style="list-style-type: none"> <li>• For 'O' Level: Science and Mathematics</li> <li>• For 'A' Level: Science (<i>Physics, Chemistry, and Biology</i>); Combined Mathematics; Technology (<i>engineering technology, biosystems technology and science for technology</i>); commerce (<i>business studies, accounting, economics, and ICT</i>).</li> </ul>	DOE, one time in 2023	MOE/DOE prepares an attestation that the DLI is met and attaches the new assessment modules. The IVA will verify the new assessment modules against the criteria approved by MOE/DOE.	If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes
<p><b>(Date) 2023:</b> No disbursement target.</p>				No disbursement target.
<p><b>(Date) 2024:</b> 'O' Level examination based on new curriculum and assessment system held for first cohort of students.</p>	<p>'O' Level assessments mean those examinations held by the national authorities of Sri Lanka.<sup>b</sup> This target is met when the 'O' Level examinations are held.</p>	DOE, one time in 2024	MOE/DOE prepares an attestation that the DLI is satisfied and attaches a record of the 'O' Level examination held. The IVA will verify the records issued by the Commissioner General of Examinations.	If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes
<p><b>(Date) 2025:</b> 'O' Level examination based on new curriculum and assessment system held for second cohort of students.</p>	<p>'O' Level assessments mean those examinations held by the national authorities of Sri Lanka and not those held by other authorities such as United Kingdom exam boards. This target is met when the 'O' Level examinations are held.</p>	DOE, one time in 2025	MOE/DOE prepares an attestation that the DLI is satisfied and attaches a record of the 'O' Level examination held. The IVA will verify the records issued by the	If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes



Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
			Commissioner General of Examinations.	
<b>DLI 2. Inquiry-based ‘O’ and ‘A’ Level blended learning curricula in program-targeted subjects developed and implemented, mainstreaming gender by 2025.</b>				
<p><b>2019 baseline:</b> No new curriculum integrating 21st century skills.</p> <p><b>2019 prior result:</b> National curriculum framework developed.</p>	<p>The target for the prior results is considered met when the National Curriculum Framework (NCF) has been developed, and approved by NIE and satisfies the following criteria:</p> <ul style="list-style-type: none"> <li>Clearly expresses Sri Lanka’s educational aims and defines the minimum required standards for (i) content and assessment, (ii) teacher qualifications, (iii) educational resources and learning materials, and (iv) management and evaluation.</li> <li>Provides guidelines for those who develop more specific learning area programmes and delineates the policies associated with curriculum development and teacher pre-service and in-service training.</li> <li>Serves as a reference for the production of textbooks and other teaching materials (UNESCO-IBE, 2013, p. 60).<sup>a</sup></li> </ul>	NIE, one time in 2020	NIE prepares an attestation that the prior result has been met and attaches the NCF. The IVA will verify these documents.	If target is achieved, the allocation for the prior result of this DLI is disbursed. Rollover: Yes
<p><b>(Date) 2021:</b> (i) Inquiry-based blended learning curricula developed for ‘O’ and ‘A’ Level program-targeted subjects for grades 10–13, mainstreaming gender.</p>	<p>Inquiry-based curricula and textbooks are organized to: (i) integrate content with activity and investigation by students; (ii) provide prescribed activities with anticipated results; (iii) provide flexibility for students to design and carry out their own investigations; (iv) be content-focused, activity-focused, or blend of both; (v) allow students to organize and record information in prescriptive and non-prescriptive ways to effectively communicate their learning.</p> <p>(i) The gender sensitive curriculum to be developed will follow the gender-sensitivity checklist to be developed by NIE/MOE and will incorporate 21st century skills.</p> <p>21st century skills mean skills required for the modern</p>	(i) NIE, one time in 2021	(i) NIE prepares an attestation that the DLI is met and attaches the relevant documents. The IVA will verify these documents.	If target (i) is achieved, 33% of the annual allocation for this DLI is disbursed. Rollover: Yes

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
	<p>global economy and which are in line with future labor market needs. Such skills will include “soft skills” such as socio-emotional skills as well as problem solving skills, interpersonal skills that allow students to collaborate, discuss, and evaluate knowledge and arguments to derive understanding.</p> <p>The new curriculum will incorporate blended learning approaches as well as communicable diseases awareness and prevention, as and where appropriate. Blended learning approaches refer to a combination of online learning, educational television/ radio programs, remote learning and classroom-based face-to-face approaches. Program-targeted subjects are:</p> <ul style="list-style-type: none"> <li>• For 'O' Level assessments: Science and Maths</li> <li>• For 'A' Level assessments: Science (Physics, Chemistry and Biology); Combined Mathematics; Technology (Engineering Technology, Biosystems Technology and Science for Technology); Commerce (Business Studies, Accounting, Economics, and ICT). This is a total of 11 subjects.</li> </ul>			
<p>(ii) Gender sensitive national media campaign and implementation plan developed to raise awareness on blended learning approaches, communicable disease risk, new STMC curriculum, pedagogy and assessment system which integrate 21st century skills and labour market needs.</p>	<p>(ii) The first target is considered as achieved when NIE approves the use of the new gender sensitive curriculum for grades 10 to 13 (inclusive).</p> <p>The second target is considered as achieved when MOE approves the gender sensitive national media campaign and implementation plan. The gender sensitive national media campaign will include the use of various media (e.g., mass media, e-platforms, interpersonal communication) as appropriate for the target audience in both urban and rural settings with information on the education reforms, covering the following messages:</p> <ul style="list-style-type: none"> <li>• the new curricula, new inquiry-based teaching practices and assessment systems; and its benefits for students in nurturing adaptive and interdisciplinary 21st century skills required for the modern global economy and in line with future labor market needs;</li> </ul>	<p>(ii) MOE, one time in 2021</p>	<p>(ii) MOE prepares an attestation that the DLI is satisfied and attaches the gender sensitive media campaign documents/materials and implementation plan. The IVA will verify these documents.</p>	<p>If target (ii) is achieved, 33% of the annual allocation for this DLI is disbursed. Rollover: Yes</p>

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
	<ul style="list-style-type: none"> <li>• the nature of the education reforms and the need for these reforms and the future of education in Sri Lanka;</li> <li>• benefits of blended learning approaches and communicable disease risk prevention and mitigation;</li> <li>• information to allay concerns of parents and general public on the education reforms, and to persuade them to send children to provincial 1AB schools, i.e., that additional support will be provided to provincial 1AB schools to build their capacity, etc; and</li> <li>• encouraging girls to take STMC subjects.</li> <li>• Encouraging boys not to drop out of school.</li> <li>• Integrate issues, challenges and barriers faced by girls and boys in education and, in particular, feature empowering role models for girls.</li> </ul> <p>The implementation plan for the gender sensitive media campaign will comprise of a detailed plan for the above with performance targets on campaign coverage, channels, dates, and duration.</p>			
(iii) All instructional materials for 'O' and 'A' Level program-targeted subjects for grades 10 to 13 developed/ revised as appropriate, including online/distance learning modules on selected topics.	<p>(iii) The target is considered as achieved when NIE approves the revised instructional materials which satisfies the following criteria:</p> <ul style="list-style-type: none"> <li>• For 'O' Level up to grade 11, these include a syllabus, teacher guides and textbooks; and</li> <li>• For 'A' Level, these include a syllabus and teacher guides.</li> </ul>	(iii) NIE, one time in 2021	(iii) NIE prepares an attestation that the DLI is met and attaches the revised instructional materials. The IVA will verify these documents.	If target (iii) is achieved, 34% of the annual allocation for this DLI is disbursed. Rollover: Yes
<p><b>(Date) 2022:</b> Gender sensitive national media campaign launched to raise awareness on blended learning approaches, communicable disease risk, new STMC curriculum, pedagogy and assessment system which integrate 21st century skills and labour market needs.</p>	The target is considered as achieved when the national media campaign has been implemented in accordance with the MOE approved implementation plan for the gender sensitive media campaign.	MOE, one time in 2022	MOE prepares an attestation that the DLI is met and attaches a report on the media campaign. The IVA will verify that the media campaign has been conducted in accordance with the	If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
<p><b>(Date) 2023:</b> Inquiry-based blended learning curricula for grade 10 'O' Level program-targeted subjects, mainstreaming gender, implemented, in all schools.</p>	<p>The target is considered as achieved when MOE issues and confirms by official letter that the new gender sensitive curriculum has been implemented for the grade 10 'O' Level program-targeted subjects in all schools.</p>	<p>MOE, one time in 2023</p>	<p>implementation plan. MOE prepares an attestation that the grade 10 curriculum has been implemented and attaches the relevant documents. The IVA will verify these documents.</p>	<p>If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes</p>
<p><b>(Date) 2024:</b> (i) Inquiry-based blended learning curricula for grade 11 'O' Level program-targeted subjects, mainstreaming gender implemented in all schools.  (ii) All innovation laboratories have been established and are being used to support practical learning in STMC subjects.</p>	<p>The target is considered as achieved when MOE issues and confirms by official letter that the new gender sensitive blended learning curricula has been implemented for the grade 11 'O' Level program-targeted subjects in all schools.</p> <p>The target is considered as achieved when MOE issues a report confirming that the innovation laboratories have been established in accordance with the minimum standards of equipment and use established by NIE.</p> <p>The results should be reported disaggregated by national and provincial schools.</p>	<p>MOE, one time in 2024  MOE, one time in 2024</p>	<p>(i) MOE prepares an attestation that the grade 11 curriculum has been implemented and attaches the relevant documents. The IVA will verify these documents.  (ii) MOE prepares an attestation that innovation labs have been established and are being used. The IVA will verify this through spot checks and reports provided by MOE</p>	<p>If target (i) is achieved, 50% of the annual allocation for this DLI is disbursed. Rollover: Yes  If target (ii) is achieved, 50% of the annual allocation for this DLI is disbursed. Rollover: Yes Partial disbursement is permitted, and disbursements will be proportional to the percentage of innovation laboratories which have been established and are in use. The following formula will be applied for the 2024 (ii) target:</p>

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
				<i>Partial DLI disbursement = planned DLI disbursement for that target <math>\times</math> (innovation labs being used / total innovation labs).</i>
<p><b>(Date) 2025:</b> Inquiry-based blended learning curricula for grades 10 and 11 ('O' Level) and grade 12 ('A' Level) program-targeted subjects implemented, mainstreaming gender.</p>	<p>The target is considered as achieved when MOE issues and confirms by official letter that the new gender sensitive blended learning curricula has been implemented for the grade 12 'A' Level program-targeted subjects in all schools</p>	<p>MOE, one time in 2025</p>	<p>MOE prepares an attestation that the grade 12 curricula has been implemented and attaches the relevant documents. The IVA will verify these documents.</p>	<p>If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes</p>
<p><b>DLI 3. At least 65% of grades 10–12 teachers in 'O' and 'A' Level program-targeted subjects implement inquiry-based and interactive teaching practices by online and distance learning, and face-to-face classroom instruction (reporting by female/male teachers).</b></p>				
<p><b>2019 baseline:</b> 0 teachers trained in new curricula.  2019 prior results: Teacher Standards Framework Developed.</p>	<p>The target is considered achieved when the Teacher Standards Framework has been developed and approved by MOE and satisfies the following criteria:</p> <ul style="list-style-type: none"> <li>• Provides <i>competency standards</i> that guide teachers in improving students' educational achievement and learning outcomes. The competency standards shall include: professional knowledge and understanding, professional skills and practices, professional values, and professional growth and development.</li> <li>• <i>Includes the various components of teacher education</i> (pre-service, in-service, and continuous professional development) and the content of the teacher training programs; and sets out criteria for promotion of teachers and how it would take into account teacher performance and experience.</li> <li>• <i>Provides guidance for teachers to assess their own performance.</i></li> </ul>	<p>MOE, one time in 2020</p>	<p>MOE prepares an attestation that the DLI has been achieved and attaches the Teacher Standards Framework. The IVA will verify these documents.</p>	<p>If target is achieved, the prior results allocation for this DLI is disbursed. Rollover: Yes</p>
<p><b>(Date) 2021:</b> (i) National ARH at NIE and Provincial ARHs are staffed and</p>	<p>(i) The target is considered as achieved when at least 75% of the ARHs are staffed and equipped in accordance with the criteria/minimum standards of</p>	<p>(i) NIE, one time in 2020</p>	<p>(i) NIE and MOE prepare an attestation that the</p>	<p>If target (i) is achieved, 50% of the annual allocation</p>

<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency, and Procedure</b>	<b>Disbursement formula</b> (refer to Table 6 of the PID for amounts)
equipped as per criteria/ minimum standards established by NIE and include a pool of resource trainers for Sinhala and Tamil medium and bilingual education.	<p>ARH developed by NIE.</p> <p>ARHs are Teacher Centres and Teacher Training Centres which are converted to hubs that are used for the conduct of practical science, technology, mathematics, and IT/commerce activities for teacher training.</p> <p><i>The minimum criteria</i> for the location of the ARHs is that at least one such Hub is in every district and within easy distance of the Program schools making it convenient for teachers to attend the training.</p>		DLI has been achieved and attaches the relevant documents. The IVA will verify these documents. The IVA will also verify this through spot checks.	for this DLI is disbursed. Rollover: Yes
(ii) Teacher training modules for grades 10–13 new ‘O’ and ‘A’ Level program-targeted subjects’, including content for online teacher training, developed based on the Teacher Standards Framework, and approved.	<p>(ii) The target is considered as achieved when NIE approves the teacher training modules for ‘O’ and ‘A’ Level program-targeted subjects for grades 10–13.</p> <p><i>Program-targeted subjects</i> are:</p> <ul style="list-style-type: none"> <li>• For ‘O’ Level assessments: Science and Maths</li> <li>• For ‘A’ Level assessments: Science (<i>Physics, Chemistry and Biology</i>); Combined Mathematics; Technology (<i>Engineering Technology, Biosystems Technology and Science for Technology</i>); Commerce (<i>Business Studies, Accounting, Economics, and ICT</i>).</li> </ul>	(ii) NIE, one time in 2021	(ii) NIE prepares an attestation that the DLI has been achieved and attaches the Teacher Training Modules. The IVA will verify these documents/materials.	(ii) If target (ii) is achieved, 50% of the annual allocation for this DLI is disbursed. Rollover: Yes
<p><b>(Date) 2022:</b></p> <p>(i) TOT for at least 50% staff and pool of trainers at National and Provincial ARHs completed in ‘O’ Level program-targeted subjects including inquiry based and interactive teaching, blended learning instruction and remedial teaching (<i>at least 60% women trainees</i>).</p> <p>(ii) At least 80% of grade 10 teachers in ‘O’ Level program-targeted subjects’ trained on inquiry based and interactive teaching, blended learning instruction and remedial</p>	<p>An inquiry-based teaching/pedagogy is an approach to learning that emphasizes the student’s role in the learning process. Rather than the teacher telling students what they need to know, students are encouraged to explore the material, ask questions, and share ideas. Inquiry-based learning uses different approaches to learning, including small-group discussion and guided learning. Instead of memorizing facts and material, students learn by doing. The Verification is conducted through observation of the teacher in the classroom, laboratory, and other learning venues.</p> <p>The target for (i) and (ii) are considered as achieved when trainees are provided with a training completion certificate given by a trainer or training institute</p>	NIE, one time in 2022	NIE/MOE prepares an attestation that the DLI has been achieved and attaches the relevant training report. The IVA will verify completion of training through attendance lists and spot checks on individual training completion certificates.	<p>For all training targets below: If partially achieved, disbursement will be proportional to progress made towards full target achievement.</p> <p>If target (i) is achieved, 50% of the annual allocation for this DLI is disbursed. Rollover: Yes</p>

<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency, and Procedure</b>	<b>Disbursement formula</b> (refer to Table 6 of the PID for amounts)
teaching ( <i>at least 60% women trainees</i> ).	officially recognized by NIE/MOE.  For all training targets, results should be reported disaggregated by male/female trainees (staff and teachers).			If target (ii) is achieved, 50% of the annual allocation for this DLI is disbursed. Rollover: Yes
<p><b>(Date) 2023:</b> (i) TOT for at least 80% of staff and pool of trainers at National and Provincial ARHs completed in 'O' Level program-targeted subjects (cumulative), inquiry based and interactive teaching, blended learning instruction and remedial teaching (<i>at least 60% women trainees</i>).</p> <p>(ii) At least 80% of grade 11 teachers in 'O' Level program-targeted subjects' trained on inquiry based and interactive teaching, blended learning instruction and remedial teaching (<i>at least 60% women trainees</i>).</p> <p>(iii) TOT for at least 50% staff and pool of trainers at National and Provincial ARHs completed in 'A' Level program-targeted subjects (<i>at least 60% women trainees</i>).</p>	<p>The target for (i), (ii), and (iii) are considered as achieved when trainees are provided with a training completion certificate given by a trainer or training institute officially recognized by NIE/MOE.</p> <p>For all training targets, results should be reported disaggregated by male/female trainees (staff and teachers).</p>	NIE, one time in 2023	NIE/MOE prepares an attestation that the DLI has been achieved and attaches the relevant training report. The IVA will verify completion of training through attendance lists and spot checks on individual training completion certificates.	<p>For all training targets below: If partially achieved, disbursement will be proportional to progress made towards full target achievement.</p> <p>If target (i) is achieved, 33% of the annual allocation for this DLI is disbursed. Rollover: Yes</p> <p>If target (ii) is achieved, 33% of the annual allocation for this DLI is disbursed. Rollover: Yes</p> <p>If target (iii) is achieved, 34% of the annual allocation for this DLI is disbursed. Rollover: Yes</p>

<p><b>(Date) 2024:</b>  (i)TOT for at least 80% staff and pool of trainers at National and Provincial ARHs completed in 'A' Level program-targeted subjects (cumulative), including inquiry based and interactive teaching, blended learning instruction and remedial teaching (<i>at least 60% women trainees</i>).</p> <p>(ii) At least 60% of teachers in 'A' Level program-targeted subjects' trained on inquiry based and interactive teaching, blended learning instruction and remedial teaching (<i>at least 60% women trainees</i>).</p> <p>(iii) At least 60% of grades 10-11 teachers in 'O' Level program-targeted subjects implement inquiry-based and interactive teaching practices by online and distance learning, and face-to-face classroom instruction (<i>at least 60% women trainees</i>).</p>	<p>The target for (i) and (ii) are considered as achieved when trainees are provided with a training completion certificate given by a trainer or training institute officially recognized by NIE/MOE.</p> <p>For all training targets, results should be reported disaggregated by male/female trainees (staff and teachers).</p> <p>(iii) The target is considered as achieved when at least 60% of teachers are applying inquiry-based and interactive teaching practices in 'O' and 'A' Level program subjects as determined by an evaluation by NIE/MOE. Under the evaluation, teachers will be evaluated by internal and external evaluators three times per year in accordance with the criteria (using the existing School Education Quality Index) and checklists to verify that the teachers are using inquiry-based and interactive teaching practices.</p> <p>For the purposes of this DLI: (i) inquiry-based teaching practices means students investigate problems and issues and construct their understanding from the evidence they gather; (ii) interactive teaching means that students collaborate, discuss, and evaluate knowledge and arguments to derive understanding. This will use applied problem solving, meaning the use of practical issues and challenges that are familiar to students in their everyday contexts; and (iii) online learning means students can be with an instructor while working through digital lessons and assessments; distance learning means students each work separately from home.</p>	<p>(i) and (ii) NIE, one time in 2024</p> <p>(iii) NIE, three times in 2024</p>	<p>(i) and (ii) NIE/MOE prepares an attestation that the DLI has been achieved and attaches the relevant training report. The IVA will verify completion of training through attendance lists and spot checks on individual training completion certificates.</p> <p>(iii) NIE/MOE prepares an attestation that the DLI has been achieved and attaches the evaluation report. The IVA will verify the evaluation report and conduct spot checks through monitoring visits to sample classrooms.</p>	<p>For all training targets below:  If partially achieved, disbursement will be proportional to progress made towards full target achievement.</p> <p>If target (i) is achieved, 50% of the annual allocation for this DLI is disbursed.  Rollover: Yes</p> <p>If target (ii) is achieved, 50% of the annual allocation for this DLI is disbursed.  Rollover: Yes</p> <p>(iii) If target is achieved, the annual allocation for this DLI is disbursed.  Rollover: Yes</p> <p>If partially achieved, disbursement will be proportional to progress made towards full target achievement.</p>
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Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
<p><b>(Date) 2025:</b> At least 65% of grades 10–12 teachers in ‘O’ and ‘A’ Level program-targeted subjects implement inquiry-based and interactive teaching practices by online and distance learning, and face-to-face classroom instruction (<i>at least 60% women trainees</i>).</p>	<p>The target is considered as achieved when at least 65% of teachers are applying inquiry-based and interactive teaching practices in ‘O’ and ‘A’ Level program subjects as determined by an evaluation by NIE/MOE. Under the evaluation, teachers will be evaluated by internal and external evaluators three times per year in accordance with the criteria (using the existing School Education Quality Index) and checklists to verify that the teachers are using inquiry-based and interactive teaching practices.</p> <p>For the purposes of this DLI: (i) inquiry-based teaching practices means students investigate problems and issues and construct their understanding from the evidence they gather; (ii) interactive teaching means that students collaborate, discuss, and evaluate knowledge and arguments to derive understanding. This will use applied problem solving, meaning the use of practical issues and challenges that are familiar to students in their everyday contexts; and (iii) online learning means students can be with an instructor while working through digital lessons and assessments; distance learning means students each work separately from home.</p>	NIE, three times in 2025	NIE/MOE prepares an attestation that the DLI has been achieved and attaches the evaluation report. The IVA will verify the evaluation report and conduct spot checks through monitoring visits to sample classrooms.	<p>If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes</p> <p>If partially achieved, disbursement will be proportional to progress made towards full target achievement.</p>
<b>DLI 4. At least 70% of teachers for ‘O’ and ‘A’ Level program-targeted subjects/subject streams are deployed in program schools in accordance with MOE Circular on Determination of Teacher Cadres.</b>				
<p>Disaggregated by national/provincial schools.</p> <p><b>2020 baseline:</b> MOE Circular on Determination of Teacher Cadres not consistently followed in teacher deployment.</p>				
<p><b>(Date) 2021:</b> (i) School-based teacher mapping completed for program schools.</p>	<p>(i) The target is considered as achieved when the school-based teacher mapping is completed for all program schools.</p> <p>For the purposes of this DLI, <i>teacher mapping</i> means that each program school will be mapped for at least the following: (i) number of teachers by subject</p>	(i) MOE, one time in 2020.	(i) MOE prepares an attestation that the DLI has been achieved and attaches the report on the teacher mapping exercise.	<p>If target (i) is achieved, 50% of the annual allocation for this DLI is disbursed. Rollover: Yes</p>

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
	<p>(male/female) teachers; (ii) number of teachers for 'O' and 'A' Level program-targeted subjects deployed in each school in line with MOE Circular on Determination of Teacher Cadres.</p> <p><i>Program-targeted subjects are:</i></p> <ul style="list-style-type: none"> <li>• For 'O' Level assessments: Science and Maths</li> <li>• For 'A' Level assessments: Science (<i>Physics, Chemistry and Biology</i>); Combined Mathematics; Technology (<i>Engineering Technology, Biosystems Technology and Science for Technology</i>); Commerce (<i>Business Studies, Accounting, Economics, and ICT</i>).</li> </ul> <p>For the purpose of this DLI 4, program schools have the meaning given in DLI1.</p>		The IVA will verify the teacher mapping report.	
(ii) Percentage of teachers for program-targeted subjects and subject streams deployed in accordance with MOE Circular on Determination of Teacher Cadres increased from baseline in at least 50% of program schools for 'O' Level and 20% of program schools for 'A' Level.	<p>The percentage of teachers for program-targeted subjects/ subject streams deployed in accordance with MOE Circular on Determination of Teacher Cadres is defined as follows:</p> <p>Denominator = total number of teachers (for program-targeted subjects/ subject streams) in program schools.</p> <p>Numerator = number of those teachers in program schools who are deployed in accordance with the said MOE Circular.</p> <p>(ii) The target is considered as achieved when the percentage of teachers meeting the specified criteria in each school increases over the previous year in the specified proportion of schools, and the teacher deployment has been duly recorded in the MOE database.</p> <p>The MOE Circular on Determination of Teacher Cadres provides criteria for teacher deployment. Deployment can mean recruitment, placement, or redeployment.</p>	(ii) MOE, one time in 2021.	<p>(ii) MOE prepares an attestation that the DLI has been achieved and attaches the report on teacher deployment as recorded in the MOE database.</p> <p>The IVA will verify the documents, the MOE database (Teacher Human Resource Management database), other records, and spot checks of schools.</p>	(ii) If target is achieved, 50% of the annual allocation for this DLI is disbursed. Rollover: Yes
<b>(Date) 2022:</b> Percentage of teachers for program-targeted subjects and subject	The target is considered as achieved when the percentage of teachers meeting the specified criteria in each school increases over the previous year in the	MOE, one time in 2022.	MOE prepares an attestation that the DLI has been	If target is achieved, the annual allocation

<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency, and Procedure</b>	<b>Disbursement formula</b> (refer to Table 6 of the PID for amounts)
streams deployed in accordance with MOE Circular on Determination of Teacher Cadres increased from previous year in at least 70% of program schools for 'O' Level and 40% of program schools for 'A' Level. (cumulative).	<p>specified proportion of schools, and the teacher deployment has been duly recorded in the MOE database.</p> <p>The MOE Circular on Determination of Teacher Cadres provides criteria for teacher deployment. Deployment can mean recruitment, placement, or redeployment.</p>		<p>achieved and attaches the report on teacher deployment as recorded in the MOE database.</p> <p>The IVA will verify the documents, the MOE database (Teacher Human Resource Management database), other records, and spot checks of schools.</p>	for this DLI is disbursed. Rollover: Yes
<p><b>(Date) 2023:</b> (i) Percentage of teachers for 'A' Level program-targeted subject streams deployed in accordance with MOE Circular on Determination of Teacher Cadres increased from previous year in at least 60% of program schools. (cumulative).</p> <p>(Maintained or improved) Percentage of teachers for 'O' Level program-targeted subjects deployed in accordance with MOE Circular on Determination of Teacher Cadres is increased from previous year or stays the same in at least 70% of program schools for 'O' Level (cumulative).</p>	<p>The target is considered as achieved when the percentage of teachers meeting the specified criteria in each school increases over the previous year in the specified proportion of schools, and the teacher deployment has been duly recorded in the MOE database.</p> <p>The percentage of teachers meeting the specified criteria in each school should be increased over the previous year or stay the same in the specified proportion of schools, and the teacher deployment has been duly recorded in the MOE database.</p> <p>The MOE Circular on Determination of Teacher Cadres provides criteria for teacher deployment. Deployment can mean recruitment, placement, or redeployment.</p>	MOE, one time in 2023.	<p>The target is considered as achieved when the targeted percentage of schools meets the specified criteria, by each school, and the teacher deployment has been duly recorded in the MOE database.</p> <p>The IVA will verify the documents, the MOE database (Teacher Human Resource Management database), other records, and spot checks of schools.</p>	If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes
<p><b>(Date) 2024:</b> (i) Percentage of teachers for 'A' Level program-targeted subject</p>	The target is considered as achieved when the percentage of teachers meeting the specified criteria in each school increases over the previous year in the	MOE, one time in 2024.	The target is considered as achieved when the	If target is achieved, the annual allocation

<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency, and Procedure</b>	<b>Disbursement formula</b> (refer to Table 6 of the PID for amounts)
<p>streams deployed in accordance with MOE Circular on Determination of Teacher Cadres increased from previous year in at least 70% of program schools. (cumulative).</p> <p>(Maintained or improved) Percentage of teachers for 'O' Level program-targeted subjects deployed in accordance with MOE Circular on Determination of Teacher Cadres is increased from previous year or stays the same in at least 70% of program schools for 'O' Level (cumulative).</p>	<p>specified proportion of schools, and the teacher deployment has been duly recorded in the MOE database.</p> <p>The percentage of teachers meeting the specified criteria in each school should increase over the previous year or stay the same in the specified proportion of schools, and the teacher deployment has been duly recorded in the MOE database.</p> <p>The MOE Circular on Determination of Teacher Cadres provides criteria for teacher deployment. Deployment can mean recruitment, placement, or redeployment.</p>		<p>targeted percentage of schools meets the specified criteria, by each school, and the teacher deployment has been duly recorded in the MOE database.</p> <p>The IVA will verify the documents, the MOE database (Teacher Human Resource Management database), other records, and spot checks of schools.</p>	<p>for this DLI is disbursed. Rollover: Yes</p>
<p><b>(Date) 2025:</b> At least 70% of teachers for 'O' Level program-targeted subjects and 'A' Level program-targeted subject streams are deployed in program schools in accordance with MOE Circular on Determination of Teacher Cadres (<i>by national/ provincial schools</i>). (cumulative).</p>	<p>The target is considered as achieved when the targeted percentage of schools meets the specified criteria, by each school, and the teacher deployment has been duly recorded in the MOE database.</p> <p>The MOE Circular on Determination of Teacher Cadres provides criteria for teacher deployment. Deployment can mean recruitment, placement, or redeployment.</p>	<p>MOE one time in 2025.</p>	<p>The target is considered as achieved when the targeted percentage of schools meets the specified criteria, by each school, and the teacher deployment has been duly recorded in the MOE database.</p> <p>The IVA will verify the documents, the MOE database (Teacher Human Resource Management database), other records, and spot checks of schools.</p>	<p>If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes</p> <p>If partially achieved, disbursement will be proportional to progress made towards full target achievement.</p>

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
<b>DLI 5. Educational leadership to support secondary education reform strengthened:</b>				
<p><b>2019 baseline:</b></p> <p>(i) 0% of 3,200 Principals, Assistant Principals and Deputy Principals trained;</p> <p>(ii) 0% of 200 Provincial, Divisional and Zonal Education Officers and 200 science and math ISAs and directors trained; and</p> <p>(iii) 2019 baseline: 0% SDPs implemented in support of reforms.</p>	<p>A SDP is prepared annually by the School Development Committee and key stakeholders for each school in line with MOE Circular No. 26/2018. It is based on a situational analysis of the school and stakeholders and prioritization of actions based on the availability of resources.</p>			
<p><b>(Date) 2021:</b></p> <p><b>DLI 5A:</b></p> <p>(i) Instructional leadership modules aligned to the new curriculum developed and approved.</p>	<p>The target (i) is considered as achieved when the Instructional Leadership Modules have been developed and approved by NIE.</p> <p>For the purpose of this DLI, instructional leadership refers to the skills of principals who support teachers' effective instruction for students' learning, and the implementation of associated curriculum and assessments. Instructional leadership involves setting clear goals, managing curriculum, monitoring lesson plans, allocating resources and evaluating teachers regularly to promote student learning and growth.</p>	<p>NIE, one time in 2020</p>	<p>(i) NIE prepares an attestation that the DLI has been achieved and attaches the Instructional Leadership Modules. The IVA will verify these documents.</p>	<p>If target (i) is achieved, 17% of the annual allocation for DLI 5A is disbursed. Rollover: Yes</p>
<p><b>DLI 5A:</b></p> <p>(ii) TOT on Instructional leadership completed for 75% of FELDM trainers.</p>	<p>The target (ii) is considered as achieved when all FELDM certified trainers and non-certified trainers have been trained on the use of the new Instructional Leadership Modules and have been provided with a training completion certificate given by a trainer or training institute officially recognized by NIE.</p> <p>For all training targets, results should be reported disaggregated by male/female trainees (staff and teachers).</p>	<p>(ii) NIE, one time in 2021</p>	<p>(ii) NIE prepares an attestation that the DLI has been achieved and attaches the relevant training report. The IVA will verify completion of training through attendance lists and spot checks on individual training completion certificates.</p>	<p>If target (ii) is achieved, 17% of the annual allocation for DLI 5A is disbursed. Rollover: Yes</p> <p>If partially achieved, disbursement will be proportional to progress made towards full target achievement.</p>

<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency, and Procedure</b>	<b>Disbursement formula</b> (refer to Table 6 of the PID for amounts)
<p><b>DLI 5A:</b> (iii) At least 25% of Principals, Assistant Principals and Deputy Principals in program schools trained in instructional leadership (with at least 40% women trainees).</p> <p><b>DLI 5A:</b> (iv) At least 25% of Provincial, Divisional and Zonal Education Officers, and science and mathematics ISAs and directors trained in instructional leadership (with at least 60% women trainees).</p> <p><b>DLI 5A:</b> (v) at least 80% of innovation laboratories equipped in accordance with the Minimum Standards.</p> <p><b>DLI 5A:</b> (vi) Each province has prepared and approved a time-bound implementation plan for blended learning to support secondary education.</p>	<p>The target for (iii) and (iv) are considered as achieved when trainees are provided with a training completion certificate given by a trainer or training institute officially recognized by NIE. For all training targets, results should be reported disaggregated by male/female trainees.</p> <p>The target for (v) is considered as achieved when each innovation lab complies with the minimum standards developed by NIE for the conduct of practical Science, Technology, Mathematics and IT/Commerce activities aligned with the new curriculum.</p> <p>The target for (vi) is considered achieved when all concerned provincial education departments have produced and approved a time-bound implementation plan for blended learning to support secondary education. The implementation plan will detail the roll out and implementation of blended learning (online learning, educational television/ radio programs, remote learning and classroom-based face-to-face approaches) for schools in that province, taking into account the infection status of COVID-19 and accessible technology for students.</p>	<p>(iii) and (iv): NIE, one time in 2021</p> <p>(v) MOE, one time in 2021</p> <p>(vi) MOE, one time in 2021</p>	<p>For (iii) and (iv) NIE/MOE prepares an attestation that the DLI has been achieved and attaches the training report. The IVA will verify these documents through attendance lists and spot checks on individual training completion certificates.</p> <p>(v) MOE prepares an attestation that the DLI has been achieved and attaches the relevant documents. The IVA will verify these documents through spot checks as necessary.</p> <p>For (vi) and (vii) MOE prepares an attestation that the DLI has been achieved and attaches the relevant documents. The IVA will verify these documents.</p>	<p>For all targets below: If partially achieved, disbursement will be proportional to progress made towards full target achievement. If target (iii) is achieved, 17% of the annual allocation for DLI 5A is disbursed. Rollover: Yes</p> <p>If target (iv) is achieved, 17% of the annual allocation for DLI 5A is disbursed. Rollover: Yes</p> <p>If target (v) is achieved, 16% of the annual allocation for DLI 5A is disbursed. Rollover: Yes</p> <p>If target (vi) is achieved, 16% of the annual allocation for DLI 5A is disbursed. Rollover: Yes</p> <p>If target (vii) is achieved, the annual allocation for DLI 5B is disbursed. Rollover: Yes</p>

<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency, and Procedure</b>	<b>Disbursement formula</b> (refer to Table 6 of the PID for amounts)
<b>DLI 5B:</b> (vii) Budget line created for the provision of school grants for implementing the SDPs	The target for (vii) is considered as achieved when MOE establishes a separate budget line for school grants under the secondary education expenditure for the purpose of implementing the SDPs.	(vii) MOE, one time in 2021		
<p><b>(Date) 2022:</b> <b>DLI 5A:</b> (i) At least 50% of Principals, Assistant Principals and Deputy Principals in program schools trained in instructional leadership (with at least 40% women trainees).</p> <p><b>DLI 5A:</b> (ii) At least 50% of Provincial, Divisional and Zonal Education Officers, and science and mathematics ISAs and directors trained in instructional leadership (with at least 60% women trainees).</p> <p><b>DLI 5B:</b> (iii) At least 20% of SDPs in program schools include strategies for (a) improving learning outcomes in STMC subjects; (b) attracting and increasing girls in STMC subjects; (c) reducing the dropout rate for boys.</p>	<p>The target for (i) and (ii) are considered as achieved when trainees are provided with a training completion certificate given by a trainer or training institute officially recognized by NIE.</p> <p>For all training targets, results should be reported disaggregated by male/female trainees.</p> <p>The target for (iii) is considered as achieved when at least 20% of SDPs, include strategies: (a) for improving learning outcomes in STMC subjects; (b) for attracting and increasing girls into STMC subjects as reported by MOE; (c) reducing the drop-out rates for boys; and (d) at least 70% of the activities outlined in the SDPs are implemented.</p>	<p>(i) and (ii): NIE, one time in 2022</p> <p>(iii) MOE, one time in 2022</p>	<p>For (i) and (ii) NIE/MOE prepares an attestation that the DLI has been achieved and attaches the training report. The IVA will verify these documents through attendance lists and spot checks on individual training completion certificates.</p> <p>(iii) MOE prepares an attestation that the DLI has been achieved and attaches the MOE report. The IVA will verify these documents, backed up by spot checks in some schools.</p>	<p>For all targets below: If partially achieved, disbursement will be proportional to progress made towards full target achievement.</p> <p>If target (i) is achieved, 50% of the annual allocation for DLI 5A is disbursed. Rollover: Yes</p> <p>If target (ii) is achieved, 50% of the annual allocation for DLI 5A is disbursed. Rollover: Yes</p> <p>If target (iii) is achieved, the annual allocation for DLI 5B is disbursed. Rollover: Yes</p>
<p><b>(Date) 2023:</b> <b>DLI 5A:</b> (i) At least 75% of Principals, Assistant Principals and Deputy Principals in program schools trained in instructional leadership (with at least 40% women trainees).</p>	<p>The target for (i) and (ii) are considered as achieved when trainees are provided with a training completion certificate given by a trainer or training institute officially recognized by NIE.</p> <p>For all training targets, results should be reported disaggregated by male/female trainees.</p>	NIE, one time in 2023	For (i) and (ii) NIE/MOE prepares an attestation that the DLI has been achieved and attaches the training report. The IVA will verify these	If target (i) is achieved, 50% of the annual allocation for <b>DLI 5A</b> is disbursed. Rollover: Yes

<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency, and Procedure</b>	<b>Disbursement formula</b> (refer to Table 6 of the PID for amounts)
<p><b>DLI 5A:</b> (ii) At least 75% of Provincial, Divisional and Zonal Education Officers, and science and mathematics ISAs and directors trained in instructional leadership (with at least 60% women trainees).</p> <p><b>DLI 5B:</b> (iii) At least 40% of SDPs in program schools include strategies for (a) improving learning outcomes in STMC subjects; (b) attracting and increasing girls into STMC subjects; and (c) reducing the dropout rate for boys.</p>	<p>The target for (iii) is considered as achieved when at least 40% of SDPs, include strategies: (a) for improving learning outcomes in STMC subjects; (b) for attracting and increasing girls into STMC subjects as reported by MOE; (c) reducing the dropout rate for boys; and (d) at least 70% of the activities outlined in the SDPs are implemented.</p>	<p>MOE, one time in 2023</p> <p>MOE, one time in 2023</p>	<p>documents through attendance lists and spot checks on individual training completion certificates.</p> <p>(iii) MOE prepares an attestation that the DLI has been achieved and attaches the MOE report. The IVA will verify these documents, backed up by spot checks in some schools.</p>	<p>If target (ii) is achieved, 50% of the annual allocation for <b>DLI 5A</b> is disbursed. Rollover: Yes</p> <p>If target (iii) is achieved, the annual allocation for <b>DLI 5B</b> is disbursed. Rollover: Yes</p>
<p><b>(Date) 2024:</b> <b>DLI 5B:</b> At least 40% of program schools have implemented SDP strategies for (a) improving learning outcomes in STMC subjects; (b) attracting and increasing girls into STMC subjects; and (c) reducing the drop-out rate for boys.</p>	<p>The target is considered as achieved when at least 40% of SDPs, implement strategies: (a) for improving learning outcomes in STMC subjects; (b) for attracting and increasing girls into STMC subjects as reported by MOE; (c) reducing the dropout rate for boys; and (d) at least 70% of the activities outlined in the SDPs are implemented.</p>	<p>MOE, one time in 2024</p>	<p>MOE prepares an attestation that the DLI has been achieved and attaches the MOE report. The IVA will verify these documents, backed up by spot checks in some schools.</p>	<p>If target is achieved, the annual allocation for <b>DLI 5B</b> is disbursed. Rollover: Yes</p> <p>For all training targets below: If partially achieved, disbursement will be proportional to progress made towards full target achievement.</p>
<p><b>(Date) 2025:</b> <b>DLI 5B:</b> At least 70% of program schools have implemented SDP strategies for (a) improving learning outcomes in STMC subjects; (b) attracting and</p>	<p>The target is considered as achieved when at least 70% of SDPs, implement strategies: (a) for improving learning outcomes in STMC subjects; (b) for attracting and increasing girls into STMC subjects as reported by MOE; (c) reducing the dropout rate for boys; and (d) at</p>	<p>MOE, one time in 2025</p>	<p>MOE prepares an attestation that the DLI has been achieved and attaches the MOE report. The IVA will</p>	<p>If target is achieved, the annual allocation for <b>DLI 5B</b> is disbursed. Rollover: Yes</p>



<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency, and Procedure</b>	<b>Disbursement formula</b> (refer to Table 6 of the PID for amounts)
increasing girls into STMC subjects; and (c) reducing the drop-out rate for boys.	least 70% of the activities outlined in the SDPs are implemented.		verify these documents, backed up by spot checks in some schools.	If partially achieved, disbursement will be proportional to progress made towards full target achievement.
<b>DLI 6. All performance-based partnership agreements between central and provincial governments aligned with the priority educational reform agenda each year.</b>				
<b>2019 baseline:</b> Institutional mechanisms need improvement to ensure alignment between the newly developed 2020–2025 educational reform agenda and the PPAs.	Performance-based partnership agreements will (i) review achievements and challenges faced by provinces; (ii) outline targets, related strategies, budgets and accountabilities for improving learning outcomes, attracting and increasing students, especially girls into STMC; (iii) improving pedagogy; (iv) adopt cross learning/sharing opportunities; and (v) implement performance-based allocation to provide support to lagging schools to improve their performance against key reform indicators, as outlined in SDPs.			
<b>(Date) 2021:</b> Performance-based partnership agreements reviewed and updated for all nine Provinces to align provincial and national work plans, supporting the priority educational reform agenda.	The target is considered as achieved when the revised and updated performance-based partnership agreements, which reflect alignment between provincial and national workplans, have been signed between MOE and all nine PEAs.	MOE, one time in 2021	MOE prepares an attestation that the DLI has been achieved and attaches all PPAs. The IVA will verify these documents.	If target is achieved, the annual allocation for this DLI is disbursed. Rollover: No
<b>(Date) 2022:</b> Performance-based partnership agreements reviewed and updated for all nine Provinces to align provincial and national work plans, supporting the priority educational reform agenda.	The target is considered as achieved when the revised and updated performance-based partnership agreements, which reflect alignment between provincial and national workplans, have been signed between MOE and all nine PEAs.	MOE, one time in 2022	MOE prepares an attestation that the DLI has been achieved and attaches all PPAs. The IVA will verify these documents.	If target is achieved, the annual allocation for this DLI is disbursed. Rollover: No
<b>(Date) 2023:</b> Performance-based partnership agreements reviewed and updated for all nine Provinces to align provincial and national work plans, supporting the priority educational reform agenda.	The target is considered as achieved when the revised and updated performance-based partnership agreements, which reflect alignment between provincial and national workplans, have been signed between MOE and all nine PEAs.	MOE, one time in 2023	MOE prepares an attestation that the DLI has been achieved and attaches all PPAs. The IVA will verify these documents.	If target is achieved, the annual allocation for this DLI is disbursed. Rollover: No

<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency, and Procedure</b>	<b>Disbursement formula</b> (refer to Table 6 of the PID for amounts)
<b>(Date) 2024:</b> Performance-based partnership agreements reviewed and updated for all nine Provinces to align provincial and national work plans, supporting the priority educational reform agenda.	The target is considered as achieved when the revised and updated performance-based partnership agreements, which reflect alignment between provincial and national workplans, have been signed between MOE and all nine PEAs.	MOE, one time in 2024	MOE prepares an attestation that the DLI has been achieved and attaches all PPAs. The IVA will verify these documents.	If target is achieved, the annual allocation for this DLI is disbursed. Rollover: No
<b>(Date) 2025:</b> Performance-based partnership agreements reviewed and updated for all nine Provinces to align provincial and national work plans, supporting the priority educational reform agenda.	The target is considered as achieved when the revised and updated performance-based partnership agreements, which reflect alignment between provincial and national workplans, have been signed between MOE and all nine PEAs.	MOE, one time in 2025	MOE prepares an attestation that the DLI has been achieved and attaches all PPAs. The IVA will verify these documents.	If target is achieved, the annual allocation for this DLI is disbursed. Rollover: No
<b>DLI 7. All key sector indicators, including sex-disaggregated data, from MOE, NIE, and DOE made publicly available on the new NEMIS website and published as annual sector performance reports.</b>				
<b>2019 baseline:</b> Inadequate integration of M&E system producing consolidated education sector indicators or performance reports.				
<b>(Date) 2021:</b> (i) Standing Committee for M&E Framework and NEMIS Policy established.	(i) The target is considered as achieved when the Standing Committee for the M&E Framework and NEMIS Policy is established with TORs defining roles and responsibilities of each institution represented on the Standing Committee, annual work plan for current and subsequent year, and a confirmed budget for the implementation of the annual work plan for the current year.  The Standing Committee will comprise representatives at least from (but not necessarily limited to) MOE, DCS, NIE, DOE.	(i) MOE, one time in 2020	(i) MOE prepares an attestation that the DLI has been achieved and attaches the TORs, annual work plan for the current and subsequent year, and confirmed budget for the current year. The IVA will verify these documents.	If target (i) is achieved, 25% of the annual allocation for this DLI is disbursed. Rollover: Yes
(ii) M&E Framework and NEMIS Policy and Action Plan finalized and approved.	(ii) The target is considered as achieved when (a) agreement is reached on the M&E Framework, which comprises of a set of key sector indicators from at least three institutions (MOE, DOE, and NIE) to be tracked in NEMIS; and (b) the document containing the M&E Framework and setting out the NEMIS Policy and	(ii) MOE, one time in 2021	(ii) and (iv): MOE prepares an attestation that the DLI has been achieved and attaches the M&E	If target (ii) is achieved, 25% of the annual allocation for this DLI is disbursed. Rollover: Yes

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
<p>(iii) ICT equipment installed in accordance with the NEMIS Policy and Action Plan.</p> <p>(iv) Educational research guidelines and protocols finalized and approved.</p>	<p>Action Plan (on technical issues concerning the online database) is drafted, reviewed, finalized and approved by the Standing Committee and the relevant institutions.</p> <p>(iii) The target is considered as achieved when the ICT equipment is installed in accordance with the NEMIS Policy and Action Plan.</p> <p>(iv) The target is considered as achieved when the Standing Committee for the M&amp;E Framework and NEMIS Policy has approved the guidelines.</p>	<p>(iii) MOE, one time in 2021</p> <p>(iv) MOE, one time in 2021</p>	<p>Framework and NEMIS Policy and Action Plan and the educational research guidelines. The IVA will verify these documents, backed up by interviews at central level.</p> <p>(iii) MOE prepares an attestation that the DLI has been achieved and attaches a report on the installation of the ICT equipment. The IVA will verify these documents, backed up by spot checks.</p>	<p>If target (iii) is achieved, 25% of the annual allocation for this DLI is disbursed. Rollover: Yes</p> <p>If target (iv) is achieved, 25% of the annual allocation for this DLI is disbursed. Rollover: Yes</p>
<p><b>(Date) 2022:</b> Education system monitoring formats, definitions, and user guides standardized across MOE, provincial and zonal levels, and data quality standards developed (including on the use of data).</p>	<p>The target is considered as achieved when monitoring formats, user guides and definitions and data quality standards have been approved and standardizations has been undertaken.</p> <p>Standardization of monitoring formats, data entry formats, and user guides means development of a set of tools to ensure the data reported are consistent across all levels and all institutions. Data quality standards will be developed, possibly in the form of a checklist, based on consultation with Department of Census and Statistics, and other relevant institutions.</p>	<p>MOE, one time in 2022</p>	<p>MOE prepares an attestation that the DLI has been achieved and attaches the monitoring formats, user guides, definitions and data quality. The IVA will verify these documents.</p>	<p>If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes</p>
<p><b>(Date) 2023:</b> NEMIS online data collection and verification system installed and operational in all nine provinces.</p>	<p>The target is considered as achieved when all provincial education offices have installed an online data entry data collection and verification process and such system has become operational.</p>	<p>MOE, one time in 2023</p>	<p>MOE prepares an attestation that the DLI has been achieved and attaches a report on the installation and</p>	<p>If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes</p>

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency, and Procedure	Disbursement formula (refer to Table 6 of the PID for amounts)
			operationalization of the NEMIS online data collection and verification system. The IVA will verify these documents, backed up by spot checks.	
<p><b>(Date) 2024:</b> Training for 75% MOE, DOE, NIE, DOEP, Zonal, and Provincial M&amp;E and NEMIS staff in using new standards and tools completed (<i>at least 60% female trainees.</i>)</p>	<p>The target is considered as achieved when the required number of staff who are or will be responsible for planning, monitoring, quality assurance, reports, research and NEMIS at central and provincial levels are provided with a training completion certificate given by a trainer or training institute officially recognized by MOE.</p> <p>The exact number of trainees per province will be determined by MOE.</p>	MOE, one time in 2024	MOE prepares an attestation that the DLI has been achieved and attaches a training report. The IVA will verify these documents, backed up by checks of training records and interviews at central and provincial levels.	If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes For all training targets below: If partially achieved, disbursement will be proportional to progress made towards full target achievement.
<p><b>(Date) 2025:</b> All key sector indicators from MOE, NIE, and DOE made publicly available on the new NEMIS website and published as Annual Education Sector Performance Reports by 2025.</p>	<p>The target is considered as achieved when sector performance reports are publicly available on the NEMIS website together with data on the key sector indicators from MOE, NIE, and DOE.</p> <p>Key sector indicators from MOE, NIE, and DOE are those approved in the M&amp;E Framework and NEMIS Policy and Action Plan.</p> <p>In addition to statistics, the Annual Education Sector Performance Reports should include analysis of data on equitable access and participation in primary and secondary education; trends in student achievements, progress made in capacity strengthening of staff, education expenditure analysis, etc.</p>	MOE, one time in 2025	MOE prepares an attestation that the DLI has been achieved and attaches a report on the NEMIS website and the Annual Education Sector Performance Report. The IVA will verify these documents, backed up by spot checks.	If target is achieved, the annual allocation for this DLI is disbursed. Rollover: Yes

'A' Level = General Certificate of Education Advanced Level, 'O' Level = General Certificate of Education Ordinary Level, ADB = Asian Development Bank, ARH = Applied Resource Hubs, DLI = disbursement-linked indicator, DOE = Department of Examinations, DOEP = Department of Educational Publications, EMIS = education management information system, FELDM = Faculty of Education Leadership Development and Management, ICT = information and communication technology, ISAs = In Service Advisors, IVA = Independent Verification Agent, M&E = monitoring and evaluation, MOE = Ministry of Education, NEMIS = National Education Management Information System, NIE = National Institute of Education of Sri Lanka, NSAF = National Student Assessment Framework, PEAs = Provincial Education Authorities, PID

= program implementation document, PPA = performance-based partnership agreement, SDP = school development plan, STMC = science, technology, mathematics, and commerce, TOT = Training of Trainers.

<sup>a</sup> United Nations Educational, Scientific and Cultural Organization-International Bureau of Education. 2013. [\*Training Tools For Curriculum Development: A Resource Pack\*](#). Geneva.

<sup>b</sup> 'O' Level assessments mean those examinations held by the national authorities of Sri Lanka and not those held by other authorities such as United Kingdom exam boards.

Source: Asian Development Bank.

## **E. Disbursement Allocation and Status**

11. The loan proceeds will be disbursed to Treasury Account maintained at the Central Bank under the Ministry of Finance (MOF). Before the submission of the first withdrawal application, MOE will submit to ADB the evidence of achievement for disbursement based on the verification protocols, and evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of MOE, together with the authenticated specimen signatures of each authorized person. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) and detailed arrangements agreed upon between the borrower and ADB.

12. Disbursements will be made by ADB following verification of DLI achievement. The achievement of DLIs must occur on or before program completion date. Use of ADB's Client Portal for Disbursement<sup>6</sup> system is mandatory for submission of withdrawal applications to ADB. (i) Advance financing will provide liquidity to help expedite the program financing needs. MOE will determine how much of the advance will be requested. Up to 25% of ADB's total financing amount can be made available for advance financing upon loan effectiveness. (ii) Financing of prior results achieved not more than 12 months before loan signing will be allowed to support the government in initiating actions required to achieve Year 1 DLIs, and shall not exceed 20% of the total ADB financing amount. (iii) The combined outstanding balance of advance financing and amount for financing for prior results should not, at any time, exceed 30% of total ADB financing. (iv) The amount of the advances will be recovered from subsequent disbursements. Additional advances can be made once an earlier advance has been recovered.

### **Expected Disbursement Allocation and Schedule**

13. Table 6 presents the amount associated with each DLI and the disbursement schedule.

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<sup>6</sup> The Client Portal for Disbursements facilitates online submission of withdrawal application to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online at <https://www.adb.org/documents/client-portal-disbursements-guide>.

**Table 6: Expected Disbursement Schedule**

Disbursement-Linked Indicator	Total ADB Financing Allocation	%Share of ADB Financing	Financing for Prior Results	2021	2022	2023	2024	2025
<b>Outcome</b>								
DLI 1. A student assessment system for improving learning and 21st century skills established by 2025.	80.00	20.00		20.00	20.00		20.00	20.00
<b>Outputs</b>								
DLI 2. Inquiry-based 'O' and 'A' Level blended learning curricula in program-targeted subjects developed and implemented, mainstreaming gender.	76.00	19.00	40.00	7.20	7.20	7.20	7.20	7.20
DLI 3. At least 65% of grades 10–12 teachers in 'O' and 'A' Level program-targeted subjects implement inquiry-based and interactive teaching practices by online and distance learning, and face-to-face classroom instruction.	76.00	19.00	40.00	7.20	7.20	7.20	7.20	7.20
DLI 4. At least 70% of teachers for 'O' and 'A' Level program-targeted subjects/subject streams are deployed in program schools in accordance with MOE Circular on Determination of Teacher Cadres.	60.00	15.00		12.00	12.00	12.00	12.00	12.00
DLI 5. Educational leadership to support secondary education reform strengthened:								
DLI 5a. At least 75% of Principals, Assistant and Deputy Principals in program schools, and 75% of Provincial/ Divisional/ Zonal Education Officers in program areas trained in instructional leadership (at least 40% and 60% women trainees respectively).	28.00	7.00		9.34	9.33	9.33		
DLI 5b. At least 70% of program schools have implemented SDP strategies for (a) improving learning outcomes in STMC subjects, (b) attracting and increasing girls into STMC subjects, and (c) reducing dropouts among boys.	40.00	10.00		8.00	8.00	8.00	8.00	8.00
DLI 6. All performance-based partnership agreements between MOE and provincial education authorities aligned with the priority educational reform agenda each year.	20.00	5.00		4.00	4.00	4.00	4.00	4.00
DLI 7. All key sector indicators, including sex-disaggregated data, from MOE, NIE, and DOE made publicly available on the MOE website and published as annual sector performance reports by 2025.	20.00	5.00		4.00	4.00	4.00	4.00	4.00
<b>TOTAL ADB financing</b>	<b>400.00</b>	<b>100.00</b>	<b>80.00</b>	<b>71.74</b>	<b>71.73</b>	<b>51.73</b>	<b>62.40</b>	<b>62.40</b>

'A' Level = General Certificate of Education Advanced Level, 'O' Level = General Certificate of Education Ordinary Level, ADB = Asian Development Bank, DLI = disbursement-linked indicators, DOE = Department of Examinations, MOE = Ministry of Education, NEMIS = National Education Management Information System, NIE = National Institute of Education, SDP = school development plan, STMC = science, technology, mathematics, and commerce subject streams.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank.

### III. EXPENDITURE FRAMEWORK AND FINANCING

#### A. Expenditure Framework

##### Expected Expenditure Framework

14. The RBL program expenditures are estimated to be \$3,201.3 million covering the government program on upper secondary education for the period of January 2020 to December 2025.<sup>7</sup> The RBL program expenditure framework is based on the GESDP Medium-Term Budgetary Framework (MTBF) and focuses on the upper secondary education subsector (grades 10–13). Accordingly, the program expenditure framework was prepared based on the GESDP budget estimates for the period of 2020–2025 and prorated for upper secondary education (grades 10–13) using the 2018 student ratio (where applicable). Based on previous budget performance, the expenditure framework assumes a conservative annual expenditures projection.<sup>8</sup> Table 7 summarizes the expenditure framework for the program 2020–2025 in accordance with the budget heads of MOE and provinces.<sup>9</sup>

**Table 7: Summary of Program Expenditure Framework, 2020–2025**

Item	Amount (SLR million)	Amount (\$ million) <sup>a</sup>	Share of Total (%)
<b>Central: MOE, including DOE, DOEP, and NIE</b>			
Recurrent	177,556.6	954.4	29.8%
Capital	61,854.5	332.5	10.4%
<b>Subtotal central</b>	<b>239,411.1</b>	<b>1,286.9</b>	<b>40.2%</b>
<b>Provinces</b>			
Recurrent	349,637.3	1,879.4	58.7%
Capital	6,523.6	35.1	1.1%
<b>Subtotal provinces</b>	<b>356,160.9</b>	<b>1,914.4</b>	<b>59.8%</b>
<b>Total program (central &amp; provinces)</b>			
Recurrent <sup>b</sup>	527,193.9	2,833.8	88.5%
Capital <sup>c</sup>	68,378.1	367.5	11.5%
<b>Total</b>	<b>595,572.0</b>	<b>3,201.3</b>	<b>100.0%</b>

\$ = United States dollar, DOE = Department of Examinations, DOEP = Department of Educational Publications, MOE = Ministry of Education, NIE = National Institute of Education, SLR = Sri Lanka rupee(s).

<sup>a</sup> Based on \$–SLR exchange rate on 1 June 2020 (\$1 = SLR186.04).

<sup>b</sup> Includes salaries and wages, overtime and holiday payments, other allowances, traveling expenses, supplies, maintenance expenditures, services, transfers, and other expenditures.

<sup>c</sup> Includes, among others, rehabilitation or improvement of capital assets, acquisition of capital assets, other capital expenditures, tablets for students and teachers, and human resources development programs. 40% of ADB financing is directed to one-time program incremental capital items linked to COVID-19-related material development, training, and refurbishment of laboratories and purchasing equipment.

Source: Asian Development Bank.

#### B. Program Financing

##### Expected Financing Plan

<sup>7</sup> The program expenditure framework includes the five-year implementation period of 2021–2025 and the fiscal year of 2020 covering prior results achieved one year prior to the estimated effective date.

<sup>8</sup> Budget execution is assumed to increase 2% per year from 85% in 2020 and 2021 to 93% in 2025.

<sup>9</sup> The expenditure framework is based on the government budget codes: MOE Budget Head 126—Program Code 01—Operational Activities, Project Code 02—Administration & Establishment Services; Program Code 02—Development Activities; Project Code 04—Secondary Education, Project Code 06—Teacher Development and Project Code 07—General Education Development Project (subprojects 24 and 25 only); DOEP Budget Head 213—Program Code 02—Development activities, Project Code—01 Establishment of Services; DOE Budget Head 212—Program Code 02—Development activities, Project Code: 01—Evaluation of examination, as well as provincial budget heads 312–318 and 321: Program Code 81—Secondary Education.



15. Out of the total estimated program expenditure of \$ 3,201.3 million, the government will finance \$2,801.3 million (87.5%) from its own revenue and the remaining amount of \$400 million (12.5%) will be financed by ADB ordinary capital resources (OCR) loan under the RBL modality. The government funding will be channeled through the budget heads of the MOE and provinces for secondary education. The ADB financing will be disbursed upon achievement of agreed DLIs. The financing plan is summarized in Table 8.

**Table 8: Program Financing Plan**

<b>Source</b>	<b>Amount (\$ million)</b>	<b>Share of Total (%)</b>
Government	2,801.3	87.5%
Asian Development Bank Ordinary capital resources (results-based lending loan)	400.0	12.5%
<b>Total</b>	<b>3,201.3</b>	<b>100.0%</b>

Source: Asian Development Bank.

#### **IV. PROGRAM SYSTEMS AND IMPLEMENTATION ARRANGEMENTS**

16. SESIP will use the government's system for program implementation. The MOE will be the executing agency, while the MOE, State Ministry of Education Reforms, Open Universities and Remote Education Promotion, State Ministry of Women and Child Development, Pre-School and Primary Education, School Infrastructure and School Services and nine provincial education departments (PEA) will be the implementing agencies. Program coordination units will be established within each of the nine provincial education departments to coordinate the implementation of provincial SESIP plans. At the central level, a Sector Monitoring and Technical Support Unit (SMTSU) will be established with staff assigned by the MOE to ensure timely and effective program planning, management, coordination with the various departments and the nine PEAs, monitoring the SESIP, and reporting to the government and ADB. In addition, key reforms in areas of curriculum, instructional materials, and assessment will be implemented by the National Institute of Education (NIE), Department of Educational Publications (DOEP) and Department of Education (DOE) respectively. NIE, DOE, and DOEP will assign SESIP focal persons to coordinate with SMTSU. A high-level National Program Steering Committee (NSC) under the chairmanship of Secretary, MOE will be established before inception to provide overall program oversight, provide policy guidance, and facilitate interdepartmental and interagency coordination. MOF will ensure adequate budget appropriation and smooth flow of funds. Details of the responsible units are in the ensuing paragraphs.

17. **National Program Steering Committee.** The NSC will meet quarterly and as needed, to provide program oversight, in particular, to review program progress, provide policy guidance, and facilitate interdepartmental and interagency coordination and exchange of lessons. It will be chaired by the Secretary, MOE. The Committee will include (i) Secretary, State Ministry of Education Reforms, Open Universities and Remote Education Promotion, (ii) Secretary, State Ministry of Women and Child Development, Pre-School and Primary Education, School Infrastructure and School Services, (iii) Secretaries of nine provincial education ministries, (iv) Additional Secretary-Planning and Performance Review; (v) all other Additional Secretaries of MOE; (vi) Director General, NIE; (vii) Commissioner General, Department of Examinations; (viii) Commissioner General, Department of Educational Publications; (ix) all supported subject directors; (x) provincial directors; (xi) External Resources Department; (xii) National Budget Department; (xiii) Treasury Operations Department; (xiv) National Planning Department; and (xv) Program Management and Monitoring Department of the MOF. It will also include other relevant line ministries, and the University Grants Commission. ADB will selectively participate in NSC meetings. Relevant representatives from the academia, the Institute of Policy Studies and related fields as well as other development partners will be invited to participate on occasion, based on

need.

18. **Sector Monitoring and Technical Support Unit.** The SMTSU will be established in the program's executing agency, the MOE, and will be placed under the Policy Planning and Performance Review Unit. The main functions of the SMTSU is to ensure timely and effective program planning, management, and coordination with the various departments, the nine PEAs, monitoring the SESIP, and reporting to the government and ADB. All SMTSU staff will be identified from MOE (except the two TA consultants for Financial Management and Monitoring and Evaluation). A National Program Manager/Program Head will be appointed who will have direct access to the Secretary, MOE for important program-related decisions. The program head will be assisted by a deputy program manager who should be at the director level. Two technical support local consultants will be provided from the TA for Financial Management and Monitoring and Evaluation). Dedicated Financial Management Officer, Monitoring and Evaluation Officer and, adequate number of program officers/assistants will also be appointed. NIE, DOE, and the DOEP will assign focal officers to work with SMTSU. International experts on curriculum, pedagogy, assessment systems and M&E/EMIS and/or partnerships with cutting edge international education institutions will be facilitated by ADB technical assistance support.

19. The reform activities to be conducted through SESIP support will involve major changes in the areas of curriculum, instructional materials, pedagogy, and student assessment. To ensure optimum alignment of these components, the apex institutions responsible for each (MOE, DOE, NIE, DOEP, and PEAs) will need to collaborate and coordinate closely with oversight by the relevant directorates in MOE and the SMTSU. Thus, in addition to the NSC, NIE, DOEP, DOE, MOE, and PEAs will need to establish regular coordination meetings to share information and to collaborate on developing a closely aligned reform agenda and implementation plan.

20. **Under the guidance of the Secretary of the State Ministry of Education Reforms, Open Universities and Distance Learning Promotion, the NIE** has prime responsibility for curriculum development and pedagogy. NIE, in close coordination with DOE and DOEP, will be responsible for designing and implementing the improvements in a national curriculum framework, the curricula quality and relevance of the secondary science, technology, mathematics, and commerce programs with oversight provided by the relevant Directorates in the MOE, NIE, DOE, and DOEP. These institutions will collaborate to draft a National Teacher Standards Framework and corresponding reforms in the national in-service teacher development programs, including use of innovative modalities for teacher training, the establishment of the Applied Resource Centers and professional learning communities of teachers in the program areas. NIE, through the Faculty of Education Leadership Development and Management will implement the training on educational leadership for school principals and PEAs on school centered approaches for improving learning outcomes and improving school administration.

21. The **DOEP** will collaborate with NIE to ensure that the new curricula is transformed into new instructional materials. These materials will include teacher guides, student textbooks, workbooks, reference books, supplementary reading material, and audio-visual study materials. All materials including textbooks will be developed and translated in both Sinhalese and Tamil languages and teacher training will also include both languages.

22. **The DOE** will be the apex institution responsible for drafting a National Assessment Framework, including reforms in national assessments/ examinations at grades 11 and 13 for the new curricula, as well as for the design and implementation of an effective and efficient system of both formative and summative assessments at the school level.

23. **Program coordination and monitoring units in nine provinces.** In each province, the

office of the provincial education director will be the provincial implementing agency. The provincial education director will be the in-charge of program implementation at provincial level. There will be a provincial coordinator and monitoring officer designated to SESIP for each province. The Provincial Education Department will be responsible for formulating and implementing provincial SESIP plans through the zonal education offices. Performance-based partnership agreements (PPAs) between the MOE, and PEAs will be formed to clearly define: (i) SESIP implementation arrangements at the central and provincial levels; (ii) SESIP implementation plan, timebound targets, and responsibilities at the provincial level; (iii) implementation arrangements between PEAs, schools, and administration of school development plans; (iv) planned expenditure targets; (v) monitoring procedures; (vi) fiduciary compliance requirements including financial reporting and audit arrangements, etc. The PPAs will provide assurance of a coordinated effort to achieve national SESIP targets and allow tracking of progress against the relevant SESIP DLIs to ensure effective disbursement and utilization of funds. On behalf of the MOE, the SMTSU will facilitate the formulation and signing of these agreements with the nine PEAs and assist in the review and update of annual performance targets.

#### **A. Monitoring and Evaluation System**

24. The SMTSU will be the focal point for monitoring performance of SESIP. Moreover, a monitoring officer will be placed in each province. SMTSU will collaborate closely with NIE, DOE, DOEP, and relevant MOE divisions, and particularly the monitoring and performance review branch under the Planning and Performance Review Division of MOE—as well as the provincial authorities. The SMTSU will also facilitate signing of PPAs between the MOE, and PEAs to clearly define implementation arrangements and targets at central and provincial levels, planned expenditure targets, monitoring procedures, fiduciary compliance requirements including financial reporting and audit arrangements.<sup>10</sup> The PPAs will provide assurance of a coordinated effort to achieve national SESIP targets and allow tracking of progress against DLIs.

25. Key monitoring outputs from SMTSU will include (i) quarterly, semi-annual, and annual progress reports; (ii) quarterly meetings to review DLI progress, identify, and adopt corrective actions as required, and share the meeting minutes with stakeholders, including ADB; (iii) periodic fiduciary review reports; (iv) annual sector performance reports; (v) review of provincial performance against PPAs; and (vi) other reports as required by the MOE and ADB. Moreover, the SMTSU will ensure that the audit reports issued by the National Audit Office (NAO) for the program are submitted to ADB in a timely manner. The SMTSU will also facilitate the preparation of third-party review reports such as the IVA reports, as required.

26. An annual review and a mid-term review will be held by MOE with participation of ADB, NIE, DOE, PEAs, and other stakeholders to assess implementation performance against the SESIP DLIs, program action plan (PAP), and program implementation document. The annual review will assess and confirm the achievement of the DLIs, which—following verification by the IVA agreed upon between MOE and ADB—will be the basis for fund disbursements. A periodic fiduciary review will supplement the annual review process. The midterm review, which will be planned during the third year of the program, will include a review of the DLIs targets based on implementation experience and performance. Within 12 months of loan closing of the program, MOE will produce a program completion report which will be shared with ADB.

27. The successful implementation of Sri Lanka's education reforms will require a well performing M&E system able to generate good quality data across the sector for evidence-based

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<sup>10</sup> The results-based lending program financial statements will be conducted by the Auditor General's Department annually in accordance with the agreed statement of audit needs.

policy and practice. Overall, there is much experience in the education sector in the monitoring and evaluation of various programs. However, with changing requirements as the sector develops, the technical capacity of all branches need to be strengthened, as current capacities will not be sufficient to monitor and evaluate SESIP and accompanying reforms. The main issue is that the M&E functions and systems in the education sector are split up among different departments, branches, and entities, and need to be better integrated. DLI 7 addresses these issues, leading to the development of strengthened system and staff capacities. Tables 9 and 10 capture the activities required in strengthening monitoring and evaluation functions and transparency in reporting.

**Table 9: Reporting to Stakeholders**

Stakeholder Type	Specific Entities	Method of Engagement	Frequency (per year)
Development partners	ADB, World Bank, UNICEF, UNESCO, etc.	Donor reports, Project SDG Progress reports,	According to requirements set by development partner
Public and Civil Society	General public: enquiries	<ul style="list-style-type: none"> <li>Through data management portal, other MOE websites, MOE reports</li> <li>NIE website and reports</li> <li>Under Right to Information Act, information is provided on individual request basis</li> <li>Exam results, analyses and other reports published by DOE (depending on level of access allowed)</li> </ul>	As required As required As required Depending on exam schedule
	Local communities: Students and parents	<ul style="list-style-type: none"> <li>School Development Committees</li> <li>Meetings with teachers, principals etc.</li> </ul>	As required
Provincial, zonal, and divisional entities	Provincial /zonal/ divisional education officers, subject directors, special advisors	Regular and ad hoc meetings on work plans, and other issues with MOE	At least quarterly and as needed.
	Subnational examination and marking centers	With DOE on holding of examinations	As required
	Teacher training centers and colleges	With NIE in training events and planning	As required
National authorities:	Ministry of Finance	Reports and meetings	Quarterly reports, meetings as required
	Policy Coordinating and Monitoring Division- Presidential Secretariat	Reports and meetings	Quarterly reports, meetings as required
	Progress report for Budget Committee Stage	Annual performance Report	Annually
	Prime Minister's office	Reports and meetings	As required
Media	National/regional media	Interviews with designated persons by MOE, NIE, and DOE Press statements	As required
Parliament	Members of Parliament	Annual Performance Reports Presentations of issues when required	Annually
Intra-ministerial and inter-ministerial	All entities within MOE	Annual Performance Reports, reports on department activities and reports on foreign funded projects Staff meetings Staff unions	As required

ADB = Asian Development Bank, DOE= Department of Examinations, MOE = Ministry of Education, NIE = National Institute of Education,

Source: Asian Development Bank and Ministry of Education.

**Table 10: Monitoring and Evaluation Responsibilities and Expanded Data Sources for DLIs and Other Indicators**

	<b>Performance Targets and Indicators with Baselines</b>	<b>Responsible Unit/ Entity</b>	<b>Data collected</b>	<b>Recommended Monitoring Frequency</b>	<b>Systems for data collection</b>	<b>Reporting means</b>
<b>Outcome indicators</b>						
1	<b>DLI 1.</b> Assessment system for improving student learning outcomes in 'O' Level mathematics and science subjects established by 2025.	DOE SMTSU/ MOE	Progress on NSAF and new assessment modules against quarterly targets/milestones. Training records with quarterly/annual targets and progress by institute, staff category and positions. Examination scores and performance data.	Quarterly  Annual	Manual, meeting records, Excel  DOE database with own computer system	Quarterly RBL/DLI monitoring meeting records.  DOE website and reports
2	21st century skills within the new curriculum, pedagogy and assessment system embedded by 2025.	MOE, SMTSU, NIE	Data from comparative analyses and modelling. Old and new examination questions, curricula, and pedagogy. Interview data.	Once only, 2024–2025.	Manual. NIE, DOE systems  Evaluation Report prepared by evaluation committee	Regular meetings with MOE, DOE, NIE, DOEP, and the evaluation committee formed for the purpose.
3	Learning outcomes in 'O' Level mathematics and science subjects improved for both girls and boys from 2024 baseline.	MOE, DOE, SMTSU	Data from examinations.	Twice, 2024 (baseline) and 2025.	DOE systems	From 2024, meetings called for this purpose.
<b>Output indicators</b>						
4	<b>DLI 2.</b> New 'O' and 'A' Level gender-sensitive blended learning curricula in program-targeted subjects developed and implemented by 2025.	MOE, NIE, TTCs, SMTSU	Progress on curricula development and roll out against quarterly/annual targets. Progress in media campaign.	Quarterly/Annual	Manual/ Excel NIE systems	Quarterly RBL/DLI monitoring meeting records.
5	<b>DLI 3.</b> At least 65% of grades 10–12 teachers in 'O' and 'A' Level program-targeted subjects implement inquiry-based and interactive teaching practices by online and distance learning, and face-to-face classroom instruction. (disaggregated by female/male teachers)	NIE, MOE: SMTSU	Training/THRM records. Data from use of evaluation tool.	3 times per year	THRM, excel/manual, and an evaluation designed by MOE/NIE	Quarterly RBL/DLI monitoring meeting records

	<b>Performance Targets and Indicators with Baselines</b>	<b>Responsible Unit/ Entity</b>	<b>Data collected</b>	<b>Recommended Monitoring Frequency</b>	<b>Systems for data collection</b>	<b>Reporting means</b>
6	<b>DLI 4.</b> At least 70% of teachers for 'O' and 'A' Level program-targeted subjects are deployed in 70% of schools in accordance with MOE Circular on Determination of Teacher Cadre. (disaggregated by national/provincial schools)	MOE/SMTSU, PEAs	Teacher/school mapping data by subject. School location data. HR deployment/qualification/training records	2 times per year	THRM, excel, manual, maps	Quarterly RBL/DLI monitoring meeting records.
7	Educational leadership to support secondary education reform strengthened: <b>DLI 5a.</b> At least 75% of Principals, Assistant and Deputy Principals in program schools, and 75% of Provincial/Divisional/Zonal Education Officers in program areas trained in instructional leadership (at least 40% and 60% women trainees respectively) (by national/provincial schools, male/female trainees).	MOE/NIE, TTCs, PEAs, SMTSU	Training/THRM records. Progress against targets by national/provincial, M/F.	Quarterly	THRM, excel, manual	Quarterly RBL/DLI monitoring meeting records.
8	<b>DLI 5b.</b> At least 70% of program schools have implemented SDP strategies for (a) improving learning outcomes in STMC subjects, (b) attracting and increasing girls into STMC subjects, and (c) reducing dropouts among boys (by national/provincial program schools).	MOE, PEAs, SMTSU	Data on SDP, school records, school grant data and records Progress on implementation of SDP against its targets. School records on students' scores, M/F enrolment in STMC, school dropouts. % of expenditure from school grant according to the circular provisions.	Quarterly	Excel, manual	Quarterly RBL/DLI monitoring meeting records.
9	<b>DLI 6.</b> All performance-based partnership agreements between MOE and provincial education authorities aligned with the priority educational reform agenda each year.	MOE, PEAs, SMTSU	Progress of PPAs based on annual targets	3 times per year	Excel, manual	Quarterly RBL/DLI monitoring meeting records.

	<b>Performance Targets and Indicators with Baselines</b>	<b>Responsible Unit/ Entity</b>	<b>Data collected</b>	<b>Recommended Monitoring Frequency</b>	<b>Systems for data collection</b>	<b>Reporting means</b>
10	<b>DLI 7.</b> All key sector indicators, including sex-disaggregated data, from MOE, NIE, and DOE made publicly available on the MOE website and published as annual sector performance reports by 2025.	MOE, DCS, NIE, DOE, DOEP SMTSU	Progress reports on MOE M&E system development against quarterly/annual targets/milestones.	Quarterly	Excel, manual	Quarterly RBL/DLI monitoring meeting records.
11	By 2023, Program Based Budgeting compliant with sector targets at MOE introduced and applied yearly.	MOE	Annual progress reports from 2023, including on training	Annual	To be determined	Annual reports on PBB from 2023

DCS = Department of Census and Statistics, DLI = disbursement-linked indicator, DOE = Department of Examinations, DOEP = Department of Education Publications, MOE = Ministry of Education, M&E = monitoring and evaluation, NEMIS = National Education Management Information System, NIE = National Institute of Education, NSAF = national student assessment framework, PBB = Program Based Budgeting, PEA = Provincial Education Authority, PPA = performance-based partnership agreement, SDP = school development plan, SMTSU = Sector Monitoring and Technical Support Unit, STMC = science, technology, mathematics and commerce, THRM = Teacher Human Resources Management System, TTC = teacher training college.

Source: Asian Development Bank and Ministry of Education, Sri Lanka.

## B. Fiduciary Systems

### 1. Financial Management System

#### Summary of the Financial Management System and Actions

28. The RBL program consists of the government program for upper secondary education including the reform and capacity building interventions during the expected implementation period of 2021–end of December 2025 (referred to as “the RBL program” or “SESIP” in this document). The ADB financing disbursed against the agreed DLIs will be an integral part of the RBL program. The overall responsibility for the RBL program financial management arrangements will rest with MOE. At the central level, the MOE, DOE, and DOEP will undertake the financial activities and at the provincial level the financial management activities will mainly be undertaken by the PEAs. The RBL program financial management arrangements will follow the government’s financial management system for planning, budgeting, execution, accounting and internal control, internal audit, financial reporting, and external audit. The financial management assessment has identified the following areas that need to be strengthened. Some of the required actions are included in the PAP and the financial management action plan.

- (i) Budgeting. The government does not fully follow a Program Based Budgeting (PBB) approach. MOE has prepared a MTBF for 2020–2025. However, the MTBF is not fully based on costing of the targets and it does not include detailed budget estimates by budget code. Budget estimates by budget code, are only made for the next three years and published by MOF annually. As a result, MOE and PEA budget allocations may not be fully consistent with the cost of delivering the program targets.
- (ii) Budget classification system. The RBL program, is funded by the government’s budget from the budget heads of the MOE, DOE, and DOE and provinces for upper secondary education to the extent possible as detailed below. The existing budget heads in the MOE budget classification system<sup>11</sup> do not allow for tracking allocation and monitoring of funds for key reform areas supported by the ADB RBL program (e.g., the school grant scheme and incentive scheme for teacher deployment/rationalization). To address this issue, a separate budget line will be created for the school grant scheme and MOE together with MOF will establish separate monitoring mechanisms to monitor the budget allocation and expenditures incurred as part of the teacher incentives. The detailed budget allocation and actual expenditures incurred as part of the school grants scheme and the incentive scheme for teacher deployment will be reported as part of the semiannual progress reports and in the notes of the program financial statements.
- (iii) Furthermore, the budget classification system is not consistently applied when segregating allocations by sub-functional categories especially at provincial level. This creates a challenge in assessing total resource allocation and use by functional area to adequately plan, budget, and monitor spending by different functions in compliance with policy targets. Therefore, it is important that MOE ensures training is provided to the PEAs to apply the budget classification codes

<sup>11</sup> Budget head 126 – MOE; Program Code 02 – Development; Project Code 04 - Secondary Education, Budget Head 213 DOEP, Program Code 02 - Development activities, Project Code – 01 Establishment of Services; Budget Head 212 (DOE), Program Code 02 - Development activities, Project Code: 01 – Evaluation of examination and relevant budget heads for the provinces: 312 – 318 and 321 and Program Code 81 – Secondary Education All the allocations for the reform and capacity building elements targeting secondary education will be financed from the budget of MOE (Program Code: 02 – Development, Project Code 04 - Secondary Education). Among them are recurrent and capital grant transfers to Provinces, capital grant for upgrading laboratories in secondary schools and establishing “resource hubs” as well as a recurrent grant for provinces with schools implementing School Improvement Plans (SIPs), all charged to MOE’s budget.



correctly and consistently when budgeting and recording education related expenditures.

- (iv) Accounting system. The government's system and procedures for budget management and accounting include a decentralized computerized accounting system (CIGAS) and accounts are closed monthly in compliance with the government's financial regulations. While CIGAS is used by all government spending units implementing the RBL program, the system is not interconnected to an overall data warehouse required to generate consolidated statements. Instead the different entities' sub-accounts are reconciled by submission of data entries from them to the Treasury for entry into the central server. The government is planning to roll out an integrated treasury management information system (ITMIS) in the coming years to all central and provincial agencies by the end of fiscal year (FY) 2021.<sup>12</sup> The ITMIS will be fully web-based and allow real time online consolidation of all revenue and expenditure data from central and provincial levels. It is important that MOE, DOE, DOEP, and PEAs ensure the ITMIS roll out is duly prioritized to improve the process of generating consolidated financial statements for the program. In addition, a conversion table of the old budget codes and the ITMIS budget codes is to be prepared to ensure consistent reporting of program expenditures using ITMIS. An indicative conversion table is included in Appendix 3.
- (v) Internal Audit. MOE has an internal audit unit while the provinces have an internal audit unit covering all sector departments. They prepare an annual audit plan submitted to the Department of Management Audit of MOF and the NAO. They undertake frequent verifications and follow, to some degree risk-based sampling procedures. The internal audit function reports to the Chief Accounting Officer, the Head, or the governing body of the respective institution and the internal audit reports are shared with the Department of Management Audit of MOF and are filed with the NAO. In order to further improve the internal control framework, the MOE and the PEAs must ensure the RBL program is included in the annual audit plan of the respective internal audit departments and that the internal audit observations are followed up on and resolved in a timely manner.
- (vi) External Audit. The Auditor General through the NAO is mandated to audit all externally financed projects and programs. The NAO will audit the RBL program's financial statements of the central level institutions and the PEAs annually in accordance with Sri Lankan audit standards (SLAS)<sup>13</sup> and the statements of audit needs agreed between the government and ADB (statement of audit needs is included in appendix 2). The audited program financial statements, audit report, and management letters are to be submitted to ADB within nine months after the end of the fiscal year. Recommendations and actions to address identified issues should be reported in the semiannual progress reports.

**29. Accounting and Financial Reporting.** The MOE and PEAs will maintain their accounts under the RBL program, in accordance with Sri Lanka Public Sector Accounting Standards (SLPSAS) – accrual basis of accounting and government regulations. Expenditure in government ministries and departments will be managed through CIGAS (and eventually ITMIS). The RBL program will use the MOE and PEA budget codes focusing on upper secondary education and well as the MOE budget codes for DOE, DOEP, and NIE. Accordingly, the RBL program, will be funded under the following budget heads:

<sup>12</sup> The roll out may be delayed due to the COVID-19 pandemic. The exact timeline for the roll out of ITMIS to MOE and the PEAs has not been established yet.

<sup>13</sup> SLAS are in line with International Standards of Supreme Audit Institutions (ISSAI)/ International Organization of Supreme Audit Institutions standards.

- (i) Central level institutions:
  - (a) MOE: Budget head 126 – MOE; Program code 01- Operational activities, Project Code 02 - Administration & Establishment Services; Program Code 02 – Development Activities; Project Code 04 - Secondary Education, Project Code 06 – Teacher development and Project Code 07 – General Education Development Project (Subprojects 24 & 25 only);
  - (b) DOEP: Budget Head 213, Program Code 02 - Development activities, Project Code - 01 Establishment of Services; and,
  - (c) DOE: Budget Head 212, Program Code 02 - Development activities, Project Code: 01 – Evaluation of examination.
- (ii) Provincial level institutions:
  - (d) PEAs: Budget Heads 312 – 18 & 21, Program Code 81 - School Activities and Project Code 05 - Secondary Education.

30. **Furthermore**, the program financial statements will include as a note disclosure, a statement of expenditures by selected budget head and program/project codes and prorated for upper secondary education (grades 10–13) using the applicable student ratio for the year in question. Table 11 below summarizes the Central and Provincial Level Budget Heads and Codes Applicable to the RBL program, the estimated amounts and the applicable student ratio to be used for the note disclosure.

**Table 11: Central and Provincial Level Budget Heads and Codes Applicable to the RBL Program for Financial Reporting**

Institution	Budget Head	Program Code	Project Code(s)	Budget items	Total expenditure 2020–2025 (SLR million)	% of total expenditures	\$ million (\$ = SLR 186.04)	Instructions for Program Financial Reporting*
MOE	126	01- Operational Activities	02- Administration & Establishment Services	Recurrent	36,953.9	6.2%	198.6	Total expenditures under this budget code are to be adjusted to reflect estimated expenditures to be incurred as part of upper secondary education (grades 10–13) by multiplying the figure with the upper secondary student ratio calculated as the number of grade 10–13 students divided by the number of grades 1–13 students)
				Capital	1,044.3	0.2%	5.6	
MOE	126	02 – Development Activities	04 Secondary Education	Recurrent	96,059.7	16.1%	516.3	Total expenditures under this budget code are to be adjusted to reflect estimated expenditures to be incurred as part of upper secondary education (grades 10–13) by multiplying the figure with the upper secondary student ratio calculated as the number of grades 10–13 students divided by the number of grade 6–13 students)
				Capital	9,268.8	1.6%	49.8	
MOE ( Includes NIE)	126	02 - Development activities	06 -Teacher development	Recurrent	14,388.9	2.4%	77.3	100% of Expenditures under this budget code are to be considered.
				Capital	11,562.4	1.9%	62.2	
MOE	126	02 - Development activities	07 - General Education Development Project <u>only items under sub pro. 24 &amp; 25</u>	Recurrent	0.0	0.0%	0.0	Total expenditures under this budget code are to be adjusted to reflect estimated expenditures to be incurred as part of upper secondary education (grades 10–13) by multiplying the figure with the upper secondary student ratio calculated as the number of grades 10–13 students divided by the number of grades 1–13 students
				Capital	36,790.1	6.2%	197.8	
DOEP	213	02 Development activities	01 – establishment of services	Recurrent	473.0	0.1%	2.5	100% of Expenditures under the budget code are to be considered.
				Capital	364.1	0.1%	2.0	
DOE	212	02 Development activities	01 – Evaluation of examination	Recurrent	29,681.1	5.0%	159.5	100% of Expenditures under the budget code are to be considered.
				Capital	2,824.8	0.5%	15.2	
PEAs (provincial level)	312 – 318 and 321	81-School activities	05 secondary Education	Recurrent	349,637.3	58.7%	1,879.4	Total expenditures under this budget code are to be adjusted to reflect estimated expenditures to be incurred as part of upper secondary education (grades 10–13) by multiplying the figure with the upper secondary student ratio calculated as the number of
				Capital	6,523.6	1.1%	35.1	
				<b>Total</b>	<b>356,160.9</b>	<b>59.8%</b>	<b>1,914.4</b>	

Institution	Budget Head	Program Code	Project Code(s)	Budget items	Total expenditure 2020–2025 (SLR million)	% of total expenditures	\$ million (\$ = SLR 186.04)	Instructions for Program Financial Reporting*
								grades 10–13 students divided by the number of grades 6–13 students)
<b>Grand total</b>				<b>Total Recurrent</b>	<b>527,193.9</b>	<b>88.5%</b>	<b>2,833.8</b>	In the notes of the program financial statements the following breakdown must be included: The total expenditures by each budget & program code and adjusted according to the applicable % as outlined in the table above for the Fiscal year and cumulative from inception of the program (see Appendix 2 for a sample).
				<b>Total Capital</b>	<b>68,378.1</b>	<b>11.5%</b>	<b>367.5</b>	
				<b>Total</b>	<b>595,572.0</b>	<b>100.0%</b>	<b>3,201.3</b>	

MOE = Ministry of Education, PEA = provincial education authority, SLR = Sri Lanka rupee(s).

Source: Asian Development Bank.

31. MOE, DOE, and DOEP and the nine PEAs will prepare annual financial statements covering the RBL program (hereafter called program financial statements) within two months after the end of the fiscal year. The program financial statements will reflect the expenditures incurred under the agreed budget codes above. The respective program financial statements shall include: (i) statement of financial position; (ii) statement of financial performance; (iii) statement of cash flow; (iv) summary statement of expenditure by program by major budget heads including comparison of budgeted vs. actual expenditures; and (v) statement of appropriation accounts/ budgeted vs. actual expenditures for each central and provincial level entity and as other schedules as required by the government, as well as detailed notes to the financial statements including significant accounting policies and breakdowns including the following: (i) the amount of expenditures incurred under the selected budget heads as well as program and project code and prorated in accordance with Table 11 to reflect the upper secondary education sector (grades 10–13, (see Appendix 2.2 for a sample report); (ii) the amount of expenditures incurred as part of procurement from non-ADB member countries (if any); (iii) budgeted amount and expenditures incurred as part of the teacher incentive policy in the current year and cumulative (including analysis of significant variances); and (iv) budgeted amount and expenditures incurred as part of the school grant scheme in the current year and cumulative (including analysis of significant variances).

32. The audited consolidated program financial statements of the three central level institutions, MOE, DOE, and DOEP and the audited consolidated program financial statements of all nine PEAs in the format described above will be audited annually by NAO in accordance statement of audit needs agreed between ADB, NAO, and the government (see related para. below and Appendix 2.1). Based on the two audit reports, its own records, MOF records, and other sources, the SMTSU will prepare the following unaudited financial information:

- (i) Funds received from the government – Treasury released funds for the secondary education program according to the budgeted allocations during the current and previous years, and cumulative to date;
- (ii) list of withdrawal applications claimed from ADB under the DLI procedure during the current and previous years, and cumulative to date, including details by withdrawal applications on the amount, currency, DLIs met, date of submission and amount disbursed by ADB to the government treasury account. The information should be supported with statement from MOF showing receipt of the amounts as disbursed by ADB to the Treasury account;
- (iii) comparison of aggregate amount of proceeds disbursed under the ADB RBL and aggregate expenditures incurred under the program by MOE, DOE, DOEP, and the nine PEAs (formula to be used: total program expenditures under the agreed budget heads and codes - excluding procurement from non ADB member countries  $\geq$  ADB financing);<sup>14</sup> and
- (iv) interest expenses and financial charges incurred as part of the ADB loan during the current and previous years, and cumulative to date.

33. The SMTSU will submit the entire package; that is, the audited program financial statements of MOE, consolidated audited program financial statement of the PEAs, and the additional information listed above, to ADB within nine months after the end of the fiscal year:

34. Furthermore, in order to provide timely information on the program's financial progress and financial management status to the executing agency, the government, and ADB, MOE through its SMTSU will ensure that comprehensive financial information is included in the semi-annual progress reports to be submitted to ADB and NAO within 60 days after the end of each

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<sup>14</sup> Required by Asian Development Bank results-based lending policy.

reporting period. The financial information will include at least the following: (i) overall financial progress of the program including an analysis of the adequacy and timeliness of government funding allocated and released to the program; (ii) progress against DLIs achieved in the reporting period, and cumulative year to date; (iii) disbursement information for the reporting period, and cumulative year to date including a reconciliation with ADB's disbursement data found in the Loan Financial Information System (LFIS); (iv) status of implementation of each action included in the PAP; (v) status of actions agreed and recorded in mission aide memoires; and (vi) status of compliance with past audit observations from external audit. An indicative template for the financial information to be included in the semi-annual progress reports is included in Appendix 4.

35. **Auditing and Public Disclosure.** The program financial statements will be audited by the NAO in accordance with Sri Lankan Auditing Standards, which follow the International Standards of Supreme Audit Institutions (ISSAI). In this regard, the NAO will audit: (i) the consolidated program financial statements of the MOE, DOE, and DOEP; and (ii) the consolidated program financial statements of the nine PEAs. The audit will cover a sample of zones and schools as deemed necessary. The objective of the audit is to provide assurances to ADB that the program financial statements covering the government's secondary education program, present a true and fair view and are free from misstatements. Each audit report will include the following separate audit opinions: (i) whether the program financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; and (ii) the level of compliance for each financial covenant contained in the legal agreements for the project (if any). The indicative statement of audit needs is included in Appendix 2. The first audit will include prior results achieved 12 months prior to the effective date and is therefore expected to cover the time period of 24 months from 1 December 2020 to 31 December 2021.

36. The audit reports and the audited program financial statements will be submitted in the English language to ADB within nine months after the end of the fiscal year and will be accompanied by separate management letters outlining any identified internal control issues, audit recommendations, as well as priority. The management's response to the audit observations should be reflected in the management letter. To ensure that the audit observations are addressed in a timely manner and in accordance with the PAP,<sup>15</sup> NAO will include a follow-up on previous years audit observations in the management letter where it will be indicated whether each of the audit observations has been addressed or is still pending.

37. ADB reserves the right to require a change in the auditor (in a manner consistent with the laws and regulation of the developing member country), or require additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. Public disclosure of the audited financial statements of the RBL program, including the auditor's opinion, will be guided by ADB's Access to information Policy.<sup>16</sup> After the review, ADB will disclose the audited consolidated program financial statements and the financial statements auditor's opinions no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letters will not be disclosed.

38. **Key actions.** An action plan to strengthen the program's financial management systems has been embedded in the PAP. The following key actions have been agreed:

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<sup>15</sup> At least of 50% of audit recommendations are implemented within six months after the date of the audit report and 80% within 18 months after date of the audit report in which the matter was first raised.

<sup>16</sup> Available at <https://www.adb.org/sites/default/files/institutional-document/450636/access-information-policy.pdf>

- (i) Build capacity to: (a) introduce program-based budgeting with a model for forecasting resource needs compliant with sector targets at the MOE and provincial levels; and (b) apply government's budget classification system and prepare budgets in a correct and consistent manner at MOE and provincial levels.
- (ii) Reduction of recurring external audit observations and timely implementation of audit recommendations through the following: (a) monitor the number of recurring audit qualifications/ observations reported by the NAO from the previous year and implement a time bound action plan to resolve any recurring audit qualifications/ observations; and (b) all material external audit observations to be resolved in a timely manner as follows: at least of 50% of audit material audit observations to be resolved within six months after the date of the audit report and 100% within 12 months after date of the audit report.<sup>17</sup>

39. In addition to the PAP, MOE through its SMTSU will implement a financial management action plan as agreed with ADB to further strengthen the financial management capacity of SMTSU to comply with ADB's requirements. Table 12 summarizes the agreed actions and timeline of this financial management action plan. Furthermore, a fiduciary review, supported by an ADB transaction technical assistance, will be conducted annually to facilitate the identification and follow-up of financial management and procurement related issues (if any).

**Table 12: Financial Management Action Plan**

<b>Agreed action</b>	<b>Responsibility</b>	<b>Timeframe</b>
The SMTSU to be staffed with a qualified accountant to ensure ADB's financial management requirements are met.  Appoint an accountant as a program focal point in each PIU established in the provincial education departments to ensure timely preparation and flow of financial information between SMTSU and PIUs	MOE	Loan effectiveness.
The SMTSU accountant and other relevant finance staff as well as staff from NAO to be trained on ADB's disbursement procedures and financial management requirements by completing e-learning and attending trainings.	ADB	Upon deployment and ongoing.
Coordinate with NAO to finalize the statement of audit needs and audit opinion letters and to ensure the SESIP is included in the audit plan of NAO and the audit report is prepared in a timely manner. <sup>a</sup>	MOE/SMTSU, NAO, and ADB	Loan effectiveness
Compile, consolidate and analyse central and provincial level financial information.  Financial information to be included in the semi-annual progress reports.  Submit the audited program financial statements of MOE, consolidated audited program financial statements of the PEAs, and the additional information to ADB.	MOE/ SMTSU	Throughout the program implementation  Within 60 days after the end of the reporting period.  Annually within nine months after the end of the fiscal year.
Prepare a conversion table of the current budget codes and the ITMIS budget codes to ensure consistent reporting of program expenditures under ITMIS	MOE/ SMTSU	By ITMIS roll out or by the end of FY 2021, whichever is earlier.

ADB = Asian Development Bank, FY = fiscal year, ITMIS = integrated treasury management information system, NAO = National Audit Office, MOE = Ministry of Education, PEA = provincial education authority, PIU = program implementation unit, RBL = results-based lending, SESIP = Secondary Education Sector Improvement Program, SMTSU = Sector Monitoring and Technical Support Unit.

<sup>a</sup> The first audit will include prior results achieved 12 months prior to the effective date and is therefore expected to cover the time period of 24 months from 1 January 2020 to 31 December 2021.

Source: Asian Development Bank.

<sup>17</sup> The Audit reports issued by NAO will be used for verification.

## 2. Procurement System

### Summary of the Procurement System and Actions

40. SESIP will involve rehabilitation of capital assets (innovation laboratories and applied resource hubs), acquisition of relevant equipment and materials for supporting application of knowledge in STMC subjects, ICT equipment and computers for ICT laboratories and M&E, and EMIS systems and national consulting services for capacity development, etc. Disbursement will not be based on each package but on achievement of agreed sector indicators.

41. The National Procurement Agency (NPA) procurement guidelines established the governing principles and procedures to ensure value for money in an efficient, fair, transparent, and cost-effective procurement process by the government procuring entities. Per the guidelines, the procurement process is required to ensure economy, timeliness and quality, optimum utilization of budgetary resources, transparency and accountability, provision of equal opportunity, expedited execution of works and delivery of goods. The procurement process should also adhere to prescribed standards, specifications, rules, regulations, and good governance and comply with laws, regulations, and international obligations. In addition, the guidelines include introducing electronic procurement, promoting environmentally friendly procurement, enhancing stakeholder confidence, and maintaining consistency in application of procurement procedures.

42. In 2015–2016, ADB conducted the Country and Sector/ Agency Procurement Assessment covering the overall system and five sectors including education.<sup>18</sup> A review of the procurement principles adopted in the latest procurement guidelines indicate adherence to the core procurement principles with regard to economy, efficiency, fairness, transparency, quality, and value for money. While the principles are sound, there are some reasons for concern in actual implementation. Potential concerns are as follows: (i) electronic procurement is not adopted; (ii) procurement capacity within the education sector is low which could lead to procurement delays; and (iii) non-adherence to NPA procurement guidelines and inadequate contract management which could lead to delays, non-availability of records, poor asset management, and incorrect payments.

43. **Key actions.** In order to mitigate potential procurement-related risks, the following actions are included in the PAP: (i) MOE and PEAs to adopt all fiduciary provisions of the NPA procurement guidelines, adopt requirements such as preparation of a master procurement plan, annual procurement plans, use of standard bidding documents, open competitive bidding, advertisement of bid invitation and contract awards to improve transparency; (ii) MOE to monitor implementation of procurement activities to ensure adherence to procurement time schedules; and (iii) MOE and PEAs to ensure that at least 70% of planned procurement indicated in the annual procurement plans is achieved within the relevant year and gradually improved to 80% by the end of the program period. These actions are expected to be implemented during 2021–2025. In addition, the following actions are also proposed: (i) the government to establish a plan to adopt e-procurement for all public entities by 2020; (ii) ADB/ MOE to organize training programs to build procurement capacity; and (iii) ADB to conduct third party annual fiduciary reviews to ensure adherence to NPA procurement guidelines and proper contract management.

## 3. Anticorruption System

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<sup>18</sup> The sectors assessed were the urban, transport, energy, education (technical), and agriculture/rural development sectors.



## Summary of Anticorruption System and Actions

44. SESIP will be implemented in accordance with the government's anti-corruption framework. The main anti-corruption laws are the Penal Code and Bribery Act which criminalize corruption and attempted corruption in the form of extortion, and active or passive bribery. The key anti-corruption institutions are the Commission to Investigate Allegations of Bribery or Corruption (CIABOC) established via the nineteenth amendment to the Constitution of May 2015, the Financial Crimes Investigation Division of the Sri Lanka Police, the Attorney General's Department, Financial Intelligence Unit of Sri Lanka, the Public Service Commission, the National Procurement Commission, and the Special Presidential Task Force for Recovery of Illegally Acquired State Assets.

45. There is a moderate to high risk of corruption in Sri Lanka as indicated by various reports.<sup>19</sup> In order to mitigate corruption, the government has taken further steps to supplement its existing anti-corruption system in recent years. In May 2018, the parliament approved a new law that created special courts to deal specifically with corruption. The government has also recently launched a Five-Year Anti-Corruption Action Plan with the goal of making Sri Lanka a corruption-free nation by 2023.<sup>20</sup> With a grant from the United States Department of State - Bureau of Democracy, Human Rights and Labour (DRL), the East-West Management Institute is providing technical support to the CIABOC. The support is intended to build CIABOC's capacity to document, process, monitor, and resolve corruption and bribery cases, and to develop an automated case management for tracking CIABOC's caseload. The project also seeks to improve CIABOC's outreach and communications with other government agencies, civil service organizations, and the public. Furthermore, the government will conduct an expenditure tracking and service delivery survey after three years of implementation of SESIP, which will help track whether funds are used efficiently and effectively at different levels of the education system.

46. ADB has a fiduciary responsibility to ensure that its loans and other forms of financing are used only for the purposes for which they were granted, in accordance with the Agreement Establishing the Asian Development Bank. To uphold that obligation, ADB developed guidelines to prevent or mitigate fraud, corruption, and other prohibited activities in RBL operations financed in whole or in part by ADB. These guidelines have been discussed with the government.

47. The specific guidelines on fraud, corruption, and other prohibited activities for RBL programs are attached as Appendix 5.

48. **Key actions.** For greater transparency during implementation, the RBL program includes an action plan to adopt all fiduciary provisions of the Procurement Guidelines of NPA and adopt requirements of the National Procurement Commission guidelines following the Parliament approval. The requirements include preparation of master procurement plan, annual procurement plans, use of standard bidding documents, open competitive bidding, advertisement of bid invitation and contract awards. MOE and the PEAs will then be responsible agencies for implementing this action during 2020–2024. Moreover, it is important that MOE, DOE, DOEP, and the National Program Steering committee: (i) familiarize themselves with ADB's Anticorruption Policy<sup>21</sup>

<sup>19</sup> Reference country reports by the GAN Business Anti-Corruption Portal, Transparency International, World Bank Doing Business 2019 Report, which are among others based on data from Commission to Investigate Allegations of Bribery or Corruption in addition to survey data.

<sup>20</sup> Commission to Investigate Allegations of Bribery or Corruption. 2019. [Integrity for Sri Lanka - National Action Plan for Combatting Bribery and Corruption in Sri Lanka 2019–2023](#). Colombo.

<sup>21</sup> Available at: <https://www.adb.org/documents/anticorruption-policy>.

49. and ADB's Integrity Principles and Guidelines;<sup>22</sup> (ii) have access to and check ADB's complete sanction list before engaging contractors, consultants, or suppliers;<sup>23</sup> and (iii) are aware about where, how and what to report if there is an integrity concern or allegation of integrity violation on ADB-related activity.<sup>24</sup>

### **C. Satisfying Procurement Member Country Eligibility Restrictions**

50. Given the program's expenditure and procurement profiles, ADB's member country procurement eligibility restrictions apply.

### **D. Safeguard Systems**

#### **Summary of Safeguard System and Actions**

51. The program will support minor renovations of school laboratory facilities (science, mathematics, technology, and commerce/ ICT laboratories) as well as laboratory facilities in teacher training centers in each district. The civil works to be undertaken are not expected to have any significant or irreversible adverse environmental impacts during either renovation or operation. Any environmental risks can be effectively addressed through the adoption of appropriate mitigation measures specified in the environmental assessment and review framework. New construction is not anticipated under SESIP. However, since the specifications for the teacher training centers are yet to be identified by NIE as part of the work to be carried out in Year 1, the program will be categorized as "B" as a precautionary measure. Once the civil work requirement is solidly established in Year 1, the categorization may be re-visited and downgraded, if needed. This categorization will be applicable to the RBL loan.

52. **Key actions.** The PAP includes the following actions related to safeguards: (i) appoint a safeguards officer from within MOE to coordinate and monitor safeguards activities (he/she will work closely with the Director School Works); (ii) development of a monitoring system for implementing environmental and social management plan (ESMPs) and initial environmental examinations (IEEs); (iii) capacity building on safeguards and preparing checklists and ESMPs for MOE and PEAs, expected to be implemented in 2020 and supported through intermittent inputs from supporting technical assistance (TA); and (iv) identifying due diligence requirements based on civil works assessment in Year 1 and confirming the number of checklists, ESMPs, and IEEs to be completed with a timeline. MOE and PEAs will be the responsible agencies for implementing these action plans starting in 2020.

### **E. Gender and Social Dimensions**

53. SESIP directly supports bridging gender gaps in secondary education among students as well as among educators. Making curriculum for program-targeted subjects in 'O' and 'A' Level gender sensitive is an integral part of the proposed curriculum revision under the program and implementation of revised gender sensitive curricula in schools is included as a DLI (DLI 2). In addition, DLI 2 also supports development of a national gender-sensitive media campaign, which will address gender concerns. DLI 5 incentivizes at least 70% of schools to implement strategies for attracting and increasing girls into STMC subjects and reduce dropout rates among boys through their school development plans. The RBL program also promotes capacity development among female educators at the school and local administrative levels. DLI 5 specifies minimum

<sup>22</sup> Available at: <https://www.adb.org/documents/integrity-principles-and-guidelines>.

<sup>23</sup> Available at: <https://lnadbg4.adb.org/oga0009p.nsf/alldocs/AANA-AAFBDE?OpenDocument>.

<sup>24</sup> Available at: <https://www.adb.org/site/integrity/how-to-report-fraud>.

targets for female inclusion in instructional leadership training among school principals and deputy principals (at least 40% female trainees) and provincial, divisional, and zonal education officers (at least 60% female trainees). DLI 7 also sets a 60% target for female education staff to be trained in using new standards, tools and technology for education management and planning, and requires reporting by sex-disaggregated data. In addition to these DLIs, the PAP includes specific gender actions: (i) ensuring that all data on program results; (ii) DLI targets, and program processes are sex-disaggregated; and (iii) that all needs analysis, capacity development, and development of materials are gender mainstreamed.

## **F. Communication and Information Disclosure Arrangements**

54. MOE, DOE, and NIE already have channels to share information with stakeholders at various levels, such as consultations on school development plans, training sessions for teachers and principals, and publications on public websites and media programs. Such channels will be used and enhanced, as necessary, to publicize SESIP and its DLIs. Regular progress reports on the DLIs will be made available to the public through the MOE website. An extended public media campaign in 2022 will provide communities with information on the reforms, especially on the new assessment system, curricula, pedagogy, and school development plans (DLIs 1, 2, 3, and 5). On the other hand, existing systems need to strengthen community feedback mechanisms. At local level, feedback will use the same structures as the grievance redress mechanism in SESIP's environmental and social management, as follows. The School Development Committees (SDCs) will be the first level for response to communities on concerns about the new reforms and school development plans. The SDCs have representatives from the schools, and from the local communities. The SDCs will record the issues as part of the grievance redress mechanism, and if unresolved at SDC level, the issue will be directed to the relevant level, such as provincial or zonal authorities and MOE.

55. MOE produces monitoring reports and annual Education Statistical Yearbooks. MOE is also developing the National Education Management Information System, an online web portal which will incorporate data on government schools, private schools, international schools, teacher training schools, as well as on students and teachers. DOE produces yearly reports on examination results in 'O' and 'A' Levels with data disaggregated by sex, location, and subject stream. However, system performance indicators such as gross enrolment ratios, net enrolment rates, survival rates, repetition, and dropout, are not regularly published, even though these are calculated.

## **G. Development Coordination**

56. MOE takes the lead in the sector and harmonizes the activities of development partners under the Education Sector Development Framework Program as well as the GESDP 2020–2025. SESIP will enhance partnerships in its design and implementation by collaborative work on a number of strategic areas. The curriculum, teacher standards, and assessment frameworks lay the foundation for all the reforms and act as overarching guiding frameworks for all stakeholders in the education sector. Coordination between SESIP and General Education Modernization Project of the World Bank include quarterly meetings between MOE, World Bank, and ADB to coordinate activities related to (i) remedial materials on mathematics for grade 10; (ii) school-based leadership development activities; (iii) overall alignment on the development and implementation of curriculum, pedagogy, and assessment, which will affect both primary and secondary education; and (iv) the further development of the national education management information system and the setting of national norms, frameworks, and quality standards. The dialogue on strengthening post-secondary pathways, in particular, for vocational education and training will be coordinated with The Organization of the Petroleum Exporting Countries Fund for

International Development. In addition, quarterly meetings of the National Steering Committee will include representation from key development partners as needed.

## V. INTEGRATED RISKS AND MITIGATING MEASURES

57. Table 13 summarizes the risks and measures to mitigate them.

**Table 13: Status of Integrated Risk Assessments and Mitigating Measures**

<b>Risks</b>	<b>Rating Without the Mitigating Measures</b>	<b>Key Mitigating Measures</b>
<b>1. Results.</b>		
1.1. Poor coordination of implementation and administrative arrangements between different entities (MOE, NIE, DOE, the PEAs, districts, and zonal committees) could lead to delays in results and DLI achievement.	Substantial	A focal unit, SMTSU, will be set up for the ADB program under the Planning Unit of MOE and supervised by the Secretary to ensure direct access to MOE's senior management. The terms of reference for staff and unit will include close monitoring and good coordination, which will mitigate the risk. An ADB multitask team will monitor and support the implementation to ensure adherence to timelines.
1.2. Consultants required as part of the loan may be poorly planned, leading to inefficiency, gaps, and overlaps in the provision of needed inputs.	Substantial	The PAP lists comprehensive and time-bound actions to support the institutional development of key implementing agencies and ensure their ability to implement each result area. This includes building capacity to design and implement reforms related to curricula, pedagogy, assessments, M&E, and financial management (e.g., program-based budgeting). In addition, all stakeholders, departments, and agencies will work together to formulate a consolidated capacity development plan, clearly identifying the national experts to be recruited against the loan. ADB will aim to provide support for international experts. International consultants will be used on a limited basis. MOE, NIE, and DOE will assess their own capacities and recruit the necessary national experts strategically against the consolidated capacity development plan.
<i>Education reforms, teacher training, and deployment</i>		
1.3. The scale of teacher training required for the reforms is challenging, and any delay in this will hold up the new 'O' Level exams planned for 2024.	Substantial	Training plans will be closely monitored, including the use of Applied Resource Hubs in the conduct of practical STEM and ICT/commerce activities for teacher training.
1.4. Teacher deployment may be delayed and not adequately implemented.	Substantial	Teacher deployment is included as a DLI. Incentive policy included as a loan covenant. Innovative distance education programs for teacher training and student learning will be developed to make up for teacher deployment gaps in the short term.
<i>M&amp;E and EMIS</i>		
1.5. In-house expertise may be insufficient to undertake (i) diagnostic study on data quality, (ii) formulation of the framework for the M&E system at MOE, and (iii) development of research guidelines and protocol. Research and analytical reports are of poor quality, constraining their use.	Moderate	External technical assistance will be sought, as appropriate, to undertake various technical assignments. A M&E Standing Committee will be set up at MOE to ensure coordination, minimize delays, and resolve issues as they arise.

Risks	Rating Without the Mitigating Measures	Key Mitigating Measures
1.6. Lack of understanding of NEMIS among MOE departments and divisions may be an obstacle to its effective use in policymaking and planning.	Low	The M&E Standing Committee will conduct workshops for high-level officials and directors of each department in MOE.
1.7. Delays in building internet connectivity locally and allocating ICT equipment pose risk to timely achievement of DLI on NEMIS.	Moderate	MOE and M&E Standing Committee will need to monitor and ensure timely budget allocation for procurement of ICT equipment, and ensure that connectivity issues are resolved.
<b>2. Fiduciary: Expenditure and Financing.</b>		
2.1. <b>Effectiveness and adequacy of expenditure framework.</b> The GESDP budget is not fully based on costing the targets, and the annual budget targets are only set for 1 year while budget estimates are made for 3 years (MTBF), i.e., budget allocations may not be fully consistent with the cost of delivering the targets, an issue also reflected in MOE and provincial budget allocations and which may challenge the delivery of RBL and GESDP targets.	Substantial	The RBL program's expenditure framework was prepared based on conservative cost estimates needed to efficiently deliver the upper secondary education services. ADB will support technical assistance to build the capacity of MOE for program-based budgeting to ensure more efficient planning and budgeting. The RBL expenditure framework will be reviewed annually.
2.2. <b>Efficiency and economy.</b> There are no specific budget codes separating lower (grades 6–9) and upper secondary (grades 10–13) levels; <sup>a</sup> and the existing budget coding may not be able to separately capture some of the reform areas in sufficient detail, which may lead to inefficient allocation of resources and monitoring.	Moderate	Projected expenditures under selected budget codes were prorated using the applicable student ratio for upper secondary education. MOE and the Ministry of Finance have agreed to establish a new budget code for school grants and to develop a separate mechanism for tracking and reporting the budget estimates as well as the actual expenditures incurred as part of the teacher incentive policy.
2.3. <b>Sustainability.</b> The incremental recurrent costs that will need to be sustained after program completion mainly include (i) the operation and maintenance of new equipment and the new training center; (ii) payment of salaries of additional teachers hired; (iii) payment of allowances as part of new incentive schemes; and (iv) school grants.	Moderate	The limited size of the incremental recurrent costs, the planned gradual increases in the budget allocation for the secondary education system as per the MTBF, MOE's strong execution rates for recurrent expenditures, and stronger budgeting practices through program-based budgeting render it likely that the respective entities will be able to sustain the incremental recurrent costs after the program is completed.
<b>3. Financial Management.</b>		
3.1. Recurring and pending audit observations could increase financial management risks.	Substantial	External audit observations to be resolved in a timely manner through agreed actions and targets as per the PAP. The status of audit observations is to be monitored through semiannual progress reports provided by SMTSU, as well as annual audit reports and management letters issued by the National Audit Office.
3.2. The lack of an integrated accounting system, and inconsistent use of the budget classification codes by PEAs when segregating expenditures, may lead to inaccurate financial information.	Substantial	An integrated treasury management information system will be rolled out in the coming years. Training to be provided to PEAs on applying budget classification codes consistently when budgeting and recording education-related expenditures.
<b>4. Procurement.</b>		

<b>Risks</b>	<b>Rating Without the Mitigating Measures</b>	<b>Key Mitigating Measures</b>
4.1. Lack of transparency in procurement could lead to inconsistency with international good procurement practice.	Low	Master procurement plan, annual procurement plans, invitation for bids, and contract award details will be published on the websites of MOE and procuring entities. Invitation for bids will also be published in three national newspapers in the three official languages.
4.2. Inadequate procurement capacity could increase risks related to procurement.	Low	MOE, in collaboration with ADB and development partners, will organize procurement and contract management training.
4.3. Procurement delays could hold up planned activities.	Moderate	Procurement performance will be monitored quarterly by the project director, against targets to achieve at least 70% of all procurement as per annual procurement plans, and to step this up gradually to 80%.
<b>5. Fiduciary risk</b>		
5.1. There is scope for increasing transparency in the education sector.	Substantial	The following mitigating actions are included in the RBL program to increase transparency: (i) the DLIs will be subject to verification by a qualified independent verification agency; (ii) the program is to be included in the audit plan of the internal auditors of MOE and PEAs; (iii) the program will be audited annually by the National Audit Office, and the audit will cover a sample of zones and schools; and (iv) significant and recurring audit observations to be monitored and solved in a systemic manner.
<b>6. Safeguards</b>		
6.1. Renovations and refurbishment activities could cause short-term environmental impacts and risks related to civil works, such as water contamination, waste generation, labor conduct, safety, noise, and dust pollution.	Low	The risks can be prevented or mitigated by adhering to the ESMP specifically required for renovation and refurbishment activities under the ADB program, and by adopting standard operational procedures and good construction and labor management practices, in line with the ESMP.
<b>7. Operating environment.</b>		
7.1. Release of budget from treasury may not be timely or adequately aligned with the GESDP 2020–2025.	Substantial	Adequate funding and timely release of budget from the treasury to MOE, and from MOE to the respective spending units, is included as a covenant to ensure smooth implementation.
7.2. Escalation of COVID-19 pandemic may cause delays in program implementation	Low	MOE and the key implementing agencies will prepare contingency plans for worst case scenario to ensure continuity in implementation. In addition, the proposed program includes in-built mitigation measures for continuity in implementation.
<b>Overall RBL program risk</b>	<b>Substantial</b>	

'A' Level = General Certificate of Education Advanced Level; 'O' Level = General Certificate of Education Ordinary Level; ADB = Asian Development Bank; DLI = disbursement-linked indicator; DOE = Department of Examinations; ESMP = environmental and social management plan; GESDP = General Education Sector Development Plan; ICT = information and communication technology; M&E = monitoring and evaluation; MOE = Ministry of Education; MTBF = medium-term budget framework; NEMIS = national education management information system; NIE = National Institute of Education; PAP = program action plan; PEA = provincial education authority; RBL = results-based lending; SMTSU = Sector Monitoring and Technical Support Unit; STEM = science, technology, engineering, and mathematics.

<sup>a</sup> Costs are being allocated between the lower secondary (grades 6–9) and upper secondary (grades 10–13) levels based on the student population in the respective grades.

Note: Risk factors are assessed against two dimensions: (i) the likelihood that the risk will occur and (ii) the impact of the risk on the outcome. Rating scale: low = low likelihood and low impact; moderate = substantial to high likelihood but low to moderate impact; substantial = low to moderate likelihood but substantial to high impact; high = high likelihood and high impact.

Source: Asian Development Bank.

## VI. PROGRAM ACTION PLAN

58. Table 14 indicates the program action plan (PAP).

**Table 14: Status of Indicative Program Action Plan**

<b>Actions</b>	<b>Responsible Agency</b>	<b>Time Frame</b>
<b>RESULTS</b>		
<b>Crosscutting:</b> Establish a mechanism of quarterly review of DLI status by key decision makers, perform corrective actions as required, and share minutes of DLI quarterly reviews with ADB.	MOE, DOE, NIE	2021–2025
<b>DLI 1: Assessment system for improving student learning outcomes in ‘O’ Level mathematics and science subjects established by 2025.</b>		
Conduct analyses of DOE, NIE, MOE, and DOEP staff capacity to revise ‘O’ Level and ‘A’ Level exams, to create NSAF and SBA documents, and to evaluate training needs.	DOE, NIE, MOE, DOEP	2021
Form inter-agency coordinating committee for development and implementation of NSAF and SBA.	MOE, DOE, NIE, DOEP, PEAs	2021
Capacity development of DOE in various assessment modalities, including school-based assessment.	DOE	2021
Capacity development of DOE, NIE, DOEP, and MOE staff as well as zonal directors of education to revise ‘O’ Level and ‘A’ Level exams, to write new items for new curricula, and to provide analyses and reports of new assessments.	DOE	2021
Conduct item analysis of existing assessments to use as a baseline.	DOE, NIE, MOE	2021
Undertake pilot testing of new ‘O’ Level exams created for every target subject.	DOE, NIE	2023–2024
Undertake international benchmarking studies of new ‘O’ Level and ‘A’ Level exams.	DOE	2022
Institute a system to monitor (a) appropriateness of training on new assessments and (b) effective implementation in schools.	DOE, NIE, MOE/provincial authorities	2021–2025
<b>DLI 2: New ‘O’ and ‘A’ Level blended learning curricula in program-targeted subjects developed and implemented by 2025.</b>		
Develop and approve a checklist for gender sensitivity of curricula.	NIE, MOE	2021
Conduct analyses of NIE, MOE, DOE, and DOEP staff capacity to develop the new STMC curricula.	NIE, MOE, DOE, DOEP	2021
Incorporate blended learning approaches as well as communicable diseases awareness and prevention, as and where appropriate, into new curricula.	NIE, MOE	2021
Capacity development of NIE, MOE, DOE and DOEP staff to review and revise current curricula to emphasize interdisciplinary approaches and 21st century skills.	NIE, DOEP, MOE, DOE	2021
Train NIE and DOEP staff to revise textbook content accordingly and improve quality of teaching guides and materials, including e-materials for online learning support.	NIE, DOEP	2021
Monitor effective implementation of new curricula.	NIE, MOE, PEAs	2023–2025
Develop minimum standards for facilities and equipment for functioning innovation laboratories for STMC subjects.	NIE	2021
<b>DLI 3: At least 65% of grades 10–12 teachers in ‘O’ and ‘A’ Level program-targeted subjects implement inquiry-based and interactive teaching practices by online and distance learning, and face-to-face classroom instruction.</b>		
Build capacity of NIE to train teachers to implement the new blended learning curricula, pedagogies, and assessments.	NIE, MOE, PEAs	2021

<b>Actions</b>	<b>Responsible Agency</b>	<b>Time Frame</b>
Implement teacher capacity development using one or more of the following modalities or professional learning communities: (i) school-based professional development; (ii) Applied Resource Hubs; (iii) teacher clusters; and (iv) online teacher training.	NIE, MOE, PEAs	2022–2025
Monitor annual training plans for teachers to ensure timely implementation and synchronization with rollout of curricula and use of Applied Resource Hubs.	NIE, MOE, PEAs	2022–2024
Develop and implement a school-based teacher performance reward strategy for improved teaching. This may be linked to performance-based allocation as part of SDPs for disadvantaged provincial schools. The strategy will take into account principals' evaluation of teacher performance, classroom observations, and other inputs.	PEAs, Schools, MOE	2022
<b>DLI 4: At least 70% of teachers for 'O' and 'A' Level program-targeted subjects/subject streams are deployed in 70% of program schools in accordance with MOE Circular on Determination of Teacher Cadres.</b>		
Develop and implement a plan to increase intake and/or rationally deploy 'O' Level teachers in mathematics and science as required, based on needs assessment.	MOE, PEAs	2021
Approve and implement a policy on teacher incentives to support teacher deployment to schools in disadvantaged areas, and establish a mechanism for tracking and reporting the budget allocations and expenditures incurred for implementing the teacher incentive policy	MOE, PEA	2021
<b>DLI 5: Educational leadership to support secondary education reform strengthened</b>		
Assess capacity development needs, and accordingly develop the capacity of FELDM for enhancing instructional leadership at school level.	NIE, FELDM	2021
Conduct assessments on school dropouts, especially among boys, and develop action plan to address the situation through SDPs.	MOE, PEAs, FELDM	2022
Develop criteria for school grants to implement the SDPs and report on the budget allocations and expenditures incurred for implementing the SDPs. The criteria for the school grants should be linked to SDPs and key reform indicators and included in the PPAs.	MOE	2021
Develop and implement strategies for strengthening counseling and career guidance, with focus on students identified as vulnerable and at risk, and for attracting and increasing more girls to STMC streams.	PEAs	2022
Enhance training materials and provide training to provincial and school staff on conducting career guidance and counseling. The training materials should focus on guidance and strategies to ensure continued participation in upper secondary education for students at risk, and for attracting more girls to STMC streams.	MOE, NIE, PEAs	2022
Conduct mapping of students' and teachers' access to devices and internet connectivity to feed into provincial blended learning education plans, to tailor modes of delivery to actual needs.	PEAs	2021
<b>DLI 6: All performance-based partnership agreements between central and provincial governments aligned with the priority educational reform agenda each year.</b>		
Develop a standardized/common PPA template, including DLIs, specific activities, targets, and accountabilities for provinces to submit annual proposals.	MOE, PEAs	2021
<b>DLI 7: All key sector indicators, including sex-disaggregated data, from MOE, NIE, and DOE made publicly available on the new NEMIS website and published as annual sector performance reports.</b>		
Undertake diagnostic study on current M&E practices and status of EMIS and related capacity development needs.	MOE, PEAs, NIE, DOE	2021
Develop and implement action plan on capacity development of national and field level staff on M&E, EMIS, and research.	MOE, PEAs	2021–2024
Develop advocacy and communication plan to disseminate data, education sector performance reports, and thematic research reports to key stakeholders.	MOE	2022
<b>FINANCIAL MANAGEMENT</b>		
Ensure that annual budget is aligned with the medium-term expenditure framework of GOSL-GESDP in terms of prioritization.	MOF/MOE	2021–2025
Ensure budget adequacy and timely release as per allocations in GOSL-GESDP MTBF.	MOE	2021–2025



Actions	Responsible Agency	Time Frame
<p><b>Program-Based Budgeting</b> Build capacity to (i) undertake PBB; and (ii) introduce PBB with a model for forecasting sector resource needs compliant with sector targets of MOE and provinces</p> <p>Consistent budget code utilization: provide training in applying government's budget classification system and prepare budgets in a correct and consistent manner at MOE and provincial levels.</p>	MOE	<p>2021–2023 By 2023</p> <p>2021–2025</p>
<p><b>Reduction of recurring external audit observations and timely resolution of material audit observations.</b></p> <p>(i) Monitor the number of recurring audit qualifications or observations reported by NAO from the previous year. Each entity to develop and implement a time-bound action plan to resolve any recurring audit qualifications or observations in a systemic manner. (Baseline: the number of recurring audit qualifications or observations reported in the second audited program financial statements).</p> <p>(ii) All material<sup>a</sup> external audit observations to be resolved in a timely manner as follows: at least of 50% of all material audit observations are implemented within 6 months of the date of the audit report, and 100% of material audit recommendations are implemented within 18 months of the date of the audit report in which the matter was first raised. Means of verification: semiannual progress reports provided by SMTSU as well as annual audit reports and management letters issued by NAO.</p>	MOE, DOE, DOEP, PEAs	2021–2025
<b>PROCUREMENT</b>		
<p><b>Transparency in procurement.</b> Adopt all fiduciary provisions of the procurement guidelines of NPA, especially preparation of master procurement plan, annual procurement plans, use of standard bidding documents, open competitive bidding, advertisement of bid invitation, and contract awards.</p>	MOE, PEAs	2021–2025
<p><b>Procurement management.</b> Monitor implementation of procurement activities to ensure adherence to the procurement time schedules.</p>	MOE	2021–2025
<p><b>Procurement efficiency.</b> At least 70% of planned procurement indicated in the annual procurement plans must be accomplished within the year concerned initially, , and gradually improved to 80%.</p>	MOE, PEAs	2021–2025
<b>SAFEGUARDS</b>		
<p>Appoint safeguards officer from within MOE to work closely with the Director, School Works Division to coordinate and monitor all required safeguards activities.</p>	MOE	2021 (at the start of the program)
<p>Develop a monitoring system for implementation of ESMPs and IEEs, and implement ESMPs and IEEs.</p>	MOE/PMU, PEAs	2021 and onwards
<p>Capacity building on safeguards and on preparing checklists and ESMPs for MOE and PEAs (at least 10 trained). Capacity building activities will be supported by stand-alone TA with intermittent inputs as required.</p>	MOE/PMU, PEAs	2021
<p>Identify due diligence requirement based on civil works assessment in year 1 and confirm number of checklists, ESMPs, and IEEs to be completed with dates.</p>	MOE/PMU, PEAs	2021
<b>GENDER</b>		
<p>Ensure that all relevant/possible data on program results, DLI targets, and program processes are systematically disaggregated by sex.</p>	MOE, NIE, DOE, PEAs	2021–2025
<p>Ensure that all needs analysis, capacity development, and development of materials are gender mainstreamed.</p>	MOE, NIE, DOE, PEAs	2021–2025

'A' Level = General Certificate of Education Advanced Level; 'O' Level = General Certificate of Education Ordinary Level; ADB = Asian Development Bank; DLI = disbursement-linked indicator; DOE = Department of Examinations; DOEP = Department of Educational Publications, EMIS = Education Management Information System; ESMP = environmental and social management plan; FELDM = Faculty for Educational Leadership Development Management; GESDP = General Education Sector Development Plan; GOSL = Government of Sri Lanka; IEE = initial environmental examination; M&E = monitoring and evaluation; MOE = Ministry of Education; MOF = Ministry of Finance; MTBF =

Medium-Term Budget Framework; NAO = National Audit Office; NIE = National Institute of Education; NPA = National Procurement Agency; NPC = National Procurement Commission; NSAF = National Student Assessment Framework; PBB = program-based budgeting; PEA = provincial education authority; PMU = program management unit; PPA = performance-based partnership agreement; SBA = school-based assessment; SDP = school development plan; STMC = science, technology, mathematics, and commerce; TA = technical assistance.

<sup>a</sup> The concept of materiality is as determined by the Sri Lanka Auditing Standards (SLAS).

Sources: Asian Development Bank and Ministry of Education.

## VII. ACCOUNTABILITY MECHANISM

59. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted operations can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures.<sup>25</sup> People who are, or may in the future be, adversely affected by a program supported by RBL may submit complaints to ADB's Accountability Mechanism (2012).

60. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to resolve their problems and/or issues by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, they approach the Accountability Mechanism.

## VIII. PROGRAM ORGANIZATIONAL STRUCTURE AND FOCAL STAFF

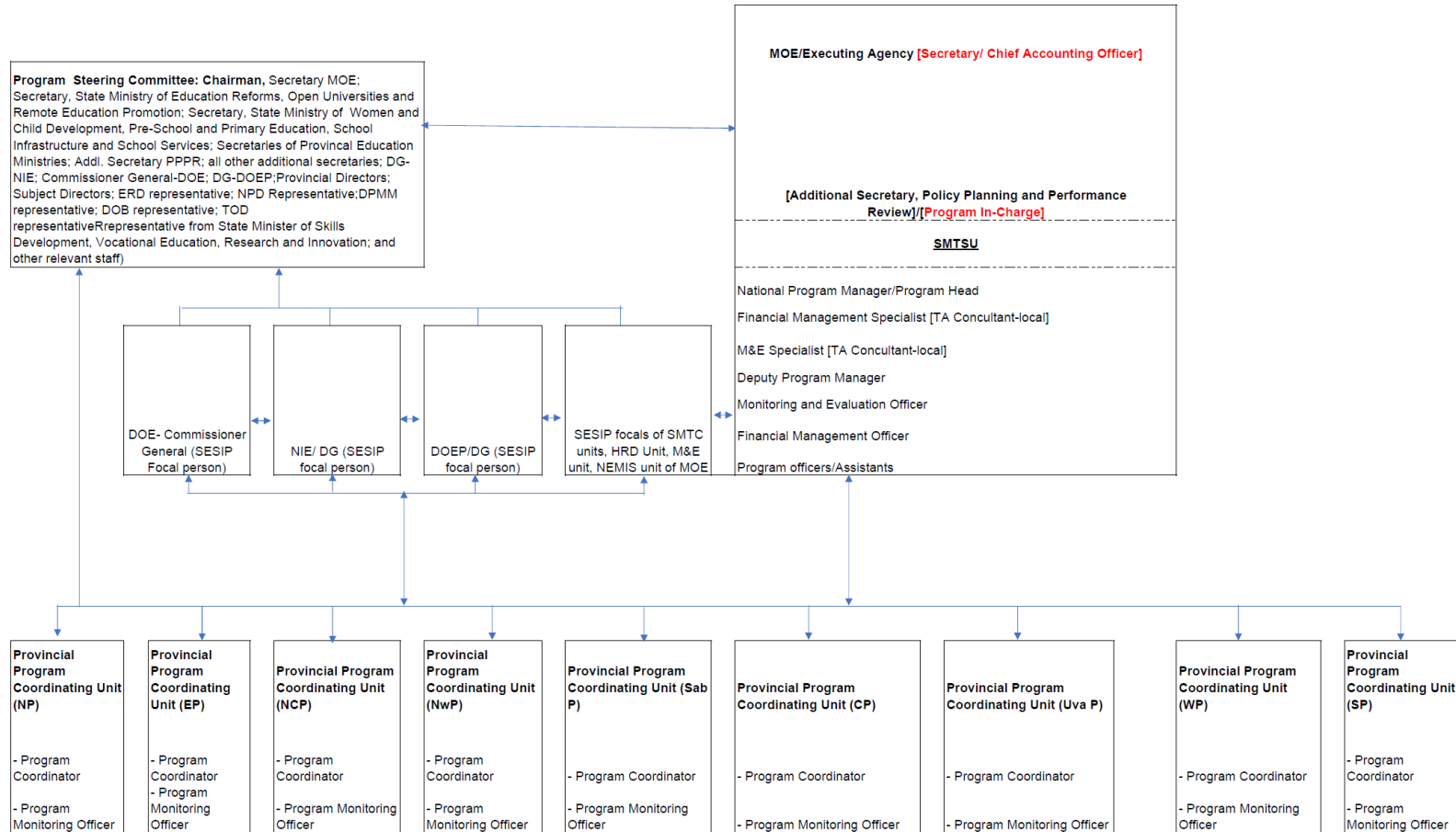
### A. Organizational Structure

61. Figure 1 illustrates the reporting relationships between key units involved in SESIP implementation. The MOE will be the executing agency, while the MOE and nine provincial program coordination and monitoring units will be the implementing agencies. The MOE will be responsible for coordinating SESIP implementation and program specific monitoring and reporting, with key departments and an institute coming under its purview, namely DOE, DOEP, and NIE and nine provincial education departments. It will be supported by the SMTSU with staff nominated by the MOE. The NSC will provide overall program oversight, provide policy guidance, and facilitate interdepartmental and interagency coordination. The National Planning Department, Project Management and Monitoring Department of the MOF will be on the National Program Steering Committee to monitor program progress. Nine provincial program implementation units will be responsible for implementing activities at the local level and will report the MOE and NSC.

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<sup>25</sup> ADB. 2012. [Review of the Accountability Mechanism Policy](#). Manila.

**Figure 1: Secondary Education Sector Improvement Program Implementation Structure (2020–2025)**



CP = central province, DG = Director General, DOB = Department of Budget, DOE = Department of Education, DOEP = Department of Educational Publications, EP= eastern province, ERD = Department of External Resource, HRD = Human Resource Development , MOE = Ministry of Education, M&E = Monitoring and Evaluation, NCP = north central province , NEMIS = national education management information system, NIE = National Institute of Education, NP = northern province, NPD = National Planning Development, PPPR = Policy, Planning and Performance Review, SAB-P = Sabaragamuwa Province, ESIP = Secondary Education Sector Improvement Program, SMTC = science, technology, mathematics, and commerce, SP = southern province, TA = technical assistance, TOD =, UVA P =, WP

Source: Asian Development Bank.

**B. Program Officers and Focal Persons****Initial Arrangements****Table 15: Program Officers and Focal Persons**

<b>Key Government Staff and Positions</b>		<b>Key ADB Staff and Positions</b>	
1.	Secretary, Ministry of Education – Chief Accounting Officer	1.	Sungsup Ra, Director, SAHS, SARD
2.	Additional Secretary, Policy Planning and Performance Review – Program In-charge	2.	Uzma Hoque, Principal Social Sector Specialist, SAHS, SARD
3.	National Program Manager (Program Head)	3.	Herathbanda Jayasundara, Social Development Officer, Sri Lank Resident Mission, SARD
4.	Financial Management Specialist- TA consultant	4.	Mikael Andersson, Financial Management Specialist; Portfolio, Results and Quality Control Unit, SARD
5.	Monitoring and Evaluation Specialist – TA consultant	5.	Gi Soon Song, Principal Social Sector Specialist, SAHS,
6.	Financial Management Officer	6.	SARD
7.	Monitoring and Evaluation Officer	7.	Asghar Ali Syed, Principal Counsel, OGC
8.	Assistant Program Manager	8.	Unika Shrestha, Young Professional, SAHS, SARD
9.	Program Officers/Assistants	9.	Enthrem Bagtas, Associate Project Analyst, SAHS, SARD
10.	NIE SESIP focal		
11.	DOE SESIP focal		
12.	DOEP SESIP focal		
13.	Provincial Program Coordinators, SESIP		
14.	Provincial Program Monitoring Officers		
15.	Provincial Program Monitoring Officers, SESIP		

DOE = Department of Education, DOEP = Department of Education Publication, NIE = National Institute of Education, OGC = Office of the General Counsel, SAHS = Human and Social Development Division, SARD = South Asia Department, SESIP = Secondary Education Sector Improvement Program, TA = technical assistance.

Note: All Government of Sri Lanka focal persons apart from the monitoring specialist and the procurement cum financial management specialist are existing Ministry of Education staff.

Source: Asian Development Bank.

## APPENDIX 1: DETAILED DEVELOPMENT PARTNER LIST

### Major Development Partners (as of 2015)

Development Partners	Name of Operations	Focused Area (P/S/B)	Duration	Amount (\$ million)
ADB	Secondary Education Sector Improvement Program	S - Senior	2020–2025	400.00
World Bank	General Education Modernization Project	B - up to grade 9 (remedial mathematics grade 10)	2018–2022	100.00
	Primary Education and Lower Secondary; Improving English Language and Mathematics Learning, Pre-Service Teacher Training; Strengthening Education Inspection Services; Strengthen School-Based Management; Support for Inclusive Education and School H&N Program			
KOICA	National College of Education for Technology	S	2015–2022	13.00
	Development of Educational Environment of 13 schools in Killinochchi District (grades 1–11)	B	2018–2022	7.50
KEXIM	Establishment of Information and Communication Technology Hubs for Secondary Education (1 national and 2 provincial hubs in eastern and southern provinces; include infrastructure and equipment; training for operators and 60 teachers)	S	2019–2021	30.01
UNESCO	Education for All, Sustainable Development Goals	B	2018–2021	0.40
UNICEF	Early Childhood Education, Primary and Lower Secondary Education, Peace and Social Cohesion	B - up to grade 9	2018–2022	0.25
OFID	Technology Education (13-year mandatory technical education)	S - Senior	2019–2023	50.00
JICA	Strengthening Education for Children with Disabilities, Inclusive Education	B	2019–2021	Mainly technical assistance
	Plantation Schools			

ADB = Asian Development Bank; B = Both Primary and Secondary, JICA = Japan International Cooperation Agency, KEXIM = Export-Import Bank of Korea; KOICA = Korea International Cooperation Agency; OFID = The Organization of the Petroleum Exporting Countries Fund for International Development, P = Primary, S = Secondary, UNESCO = United Nations Educational, Scientific and Cultural Organization; UNICEF = United Nations Children's Fund.

Source: Asian Development Bank.

**APPENDIX 2: INDICATIVE STATEMENT OF AUDIT NEEDS FOR GOVERNMENT PROGRAM FOR SECONDARY EDUCATION SUPPORTED BY THE ADB RESULTS-BASED LENDING (LOAN NO: LXXXX)**

1. **Background.** Secondary education is vital for preparing the pipeline of young people for tertiary education and the labor market. Since 2013, the Government of Sri Lanka (the government) has been implementing reforms to make secondary education relevant to the country's aspirational shift towards a knowledge economy. Despite overall achievements in access and efforts to increase access to science, technology, and mathematics (STEM) subjects, secondary school enrollments remain skewed towards the arts subjects while only 10% of secondary schools in Sri Lanka offer the STEM streams. The bias towards the arts stream in secondary education is compounded by the shortage of places in STEM courses at the tertiary level. This pushes many students in secondary education to enroll in the arts stream because it increases their chance to enter tertiary education.

2. Asian Development Bank (ADB) will support the government secondary education program in achieving selected secondary education reforms and strengthen Ministry of Education's (MOE) institutional capacity by providing financing as part of results-based lending (RBL) instrument. The ADB financing will focus on enhancing Secondary students learning outcomes particularly in science, technology, mathematics, and commerce (STMC). The key outputs of the ADB RBL program include: (i) Quality and relevance of secondary STMC programs enhanced; (ii) Provincial and school capacity to implement education reforms strengthened; and (iii) Secondary education sector management capacity strengthened.

3. **Results based lending.** Under the RBL modality, the ADB financing is an integral part of government secondary education program financing, which includes financing from the country's own resources. As a result, the disbursement of the ADB RBL proceeds will not depend on evidence of expenditures or transactions. Instead, the ADB loan disbursements will be directly linked to the achievements of program results as measured by disbursement-linked indicators (DLIs) and is conditioned upon verification that the DLIs have been achieved. Each DLI will be accompanied by a clear verification protocol that will define how achievements will be measured and verified.

4. **Disbursement Linked Indicators.** The disbursement-linked indicators (DLIs) are outlined below [to be updated based on the final agreed DLIs after loan negotiations]:

Outcome: Secondary education system transformed and aligned with evolving labor force needs.

- DLI 1: By 2025, a student assessment system for improving learning and 21st century skills (problem solving, creative thinking, communication, and teamwork) established.

Output 1. Quality and relevance of secondary science, technology, mathematics, and commerce programs enhanced.

By 2025:

- DLI 2: Inquiry-based 'O' and 'A' Level blended learning curricula in program-targeted subjects developed and implemented, mainstreaming gender.

- DLI 3: At least 65% of grades 10–12 teachers in ‘O’ and ‘A’ Level program-targeted subjects implement inquiry-based and interactive teaching practices by online and distance learning, and face-to-face classroom instruction (at least 60% women trainees ).

Output 2. Provincial and school capacity to implement education reforms strengthened.

By 2025:

- DLI 4: At least 70% of teachers for ‘O’ and ‘A’ Level program-targeted subjects/subject streams are deployed in program schools in accordance with MOE Circular on Determination of Teacher Cadres (disaggregated by national/provincial schools).
- DLI 5a: At least 75% of principals, and assistant or deputy principals (at least 40% of them women) in program schools; and 75% of provincial/divisional/zonal education officers (at least 60% of them women) in program areas trained in instructional leadership (by national/provincial schools, male/female trainees).
- DLI 5b: At least 70% of program schools have implemented SDP strategies for (a) improving learning outcomes in STMC subjects, (b) attracting and increasing girls in STMC subjects, and (c) reducing dropouts among boys (by national/ provincial program schools).
- DLI 6: All performance-based partnership agreements between MOE and PEAs aligned with the priority educational reform agenda each year.

Output 3. Sector management capacity strengthened.

- DLI 7: By 2025, all key sector indicators, including sex-disaggregated data, from MOE, NIE, and DOE made publicly available on the MOE website and published as annual sector performance reports.

5. **Verification protocol.** The disbursement will subject to the achievement and verification of the agreed DLIs. The verification will be done by Independent Verification Agent in accordance with the verification protocol agreed between the government and ADB and provided in the program Implementation document. Evidence of verifying the achievement of the DLIs will be attached to the withdrawal application submitted to ADB. Any amounts not disbursed for unmet DLIs will be disbursed once they have been achieved. Selected DLIs allow partial disbursement following mechanisms described in the verification protocol.

6. **Program expenditure framework.** The government has estimated that approximately \$11.7 billion is required to implement the General Education Sector Development Plan (GESDP) 2020–2025. ADB will support the GESDP by focusing on the upper secondary education subsector and the RBL program expenditure framework was prepared based on the GESDP budget estimates for the period of 2020–2025 and prorated for upper secondary education (grades 10–13) using the 2018 student ratio (where applicable), totaling \$3,201.3 million. Based on previous budget performance, the expenditure framework assumes a conservative annual expenditures projection<sup>1</sup>. The expenditure framework includes the appropriation accounts of MOE (including NIE) DOE and DOEP and nine provincial level accounts of the provincial education

<sup>1</sup> Budget execution assumed to increase 2% per year from 85% in 2020 and 2021 to 93% in 2025.

authorities (PEAs) and it is structured in accordance with the government budget codes of MOE and Provinces for Secondary Education to the extent possible using the agreed budget codes. MOE and the Provincial Education Authorities will implement their respective budgets in accordance with the established institutional responsibilities. Table A2.1 summarizes the expenditure framework for the program from October 2020–2025.



**Table A2.1: Summary of Program Expenditure Framework, 2020–2025**  
(as of 11 August 2020)

Item	Amount (SLR million)	Amount (\$ million) <sup>a</sup>	Share of Total (%)
<b>Central level: (MOE, including DOE, DOEP &amp; NIE)</b>			
Recurrent	177,556.6	954.4	29.8%
Capital	61,854.5	332.5	10.4%
<b>Subtotal Central level</b>	<b>239,411.1</b>	<b>1,286.9</b>	<b>40.2%</b>
<b>Provinces</b>			
Recurrent	349,637.3	1,879.4	58.7%
Capital	6,523.6	35.1	1.1%
<b>Subtotal Provinces</b>	<b>356,160.9</b>	<b>1,914.4</b>	<b>59.8%</b>
<b>Total program (Central &amp; Provinces)</b>			
Recurrent <sup>b</sup>	527,193.9	2,833.8	88.5%
Capital <sup>c</sup>	68,378.1	367.5	11.5%
<b>Grand total</b>	<b>595,572.0</b>	<b>3,201.3</b>	<b>100.0%</b>

DOE = Department of Examinations, Department of Educational Publications, MOE = Ministry of Education, NIE = National Institute of Education.

<sup>a</sup> Based on SLR/USD exchange rate on 1 June 2020 (USD = 186.04 SLR).

<sup>b</sup> Includes salaries and wages, overtime and holiday payments, other allowances, travelling expenses, supplies, maintenance expenditures, services, transfers, etc.

<sup>c</sup> Includes rehabilitation or improvement of capital assets, acquisition of capital assets, other capital expenditures, tablets for students and teachers, Human Resources Development Programs, etc.

Source: Asian Development Bank.

7. By expenditure type, the majority of the RBL program's budget are expected to be used for recurrent costs (88.5%) in the form of personnel emoluments and other recurrent cost. Capital expenditures are expected to cover 11.5% of the total budget.

8. **Financing plan.** Out of the total estimated program expenditure of US\$ 3,201.3 million, the government will finance \$2,801.3 million (87.5%) from its own revenue and the remaining amount of \$400 million (12.5%) will be financed by ADB ordinary capital resources (OCR) loan under the RBL modality. The government funding will be channeled through the budget heads of the MOE and provinces for secondary education. The ADB financing will be disbursed upon achievement of agreed DLIs; The program financing plan is presented in Table A2.2

**Table 8: Program Financing Plan**  
(as of 11 August 2020)

Source	Amount (\$ million)	Share of Total (%)
Government	2,801.3	87.5%
Asian Development Bank Ordinary capital resources (results-based lending loan)	400.0	12.5%
<b>Total</b>	<b>3,201.3</b>	<b>100.0%</b>

Source: Asian Development Bank.

9. **Statement of intent.** MOE will agree with National Audit Office (NAO) that the government's program for secondary education supported by the ADB results-based lending will be audited in accordance with the following terms of reference. The audit will be conducted annually and cover the period [STATE THE PERIOD OF AUDIT].

10. **Audit scope.** The program financial statements will be audited by the NAO in accordance with Sri Lankan Auditing Standards, which are based on International Standards of Supreme Audit Institutions (ISSAI).

11. As part of the program audit, the NAO will audit the following: (i) the consolidated program financial statements of the three central level accounts; that is MOE (comprising of Secondary Education and NIE activities), DOEP and DOE, as well as (ii) the consolidated program financial statements of the nine PEAs. The audit will cover zones and schools on sample basis as deemed necessary. The audit will include such test and controls as the auditor considers necessary under the circumstances. It is expected that the audit includes on a sample basis zones and schools benefiting from the program in the audit, as deemed necessary.

12. When conducting the audit, special attention shall be paid to the following:

- (i) The financial statements of the government program for secondary education (RBL program) as prepared by MOE and the nine PEAs reflect the program expenditure and financing;
- (ii) Program expenditure is in accordance with the ADB RBL program agreement and necessary supporting documentation, records and accounts have been kept in respect of the program expenditure and there is clear linkage between the books of account and the program financial statements;
- (iii) Program funds have been used in accordance with the program financing agreement and only for the purpose intended;
- (iv) The program financial statements have been prepared in accordance with Sri Lanka Public Sector Accounting Standards;
- (v) An adequate system of internal controls including internal audit over program expenditure was operational and effective over the program period; and major observation in internal audit reports that may affect the system; and
- (vi) Progress of implementation of the program action plan in respect of the activities relating to straightening of financial management and procurement.

13. A sample template for the audit opinion on specific donor requirements has been given in Appendix 2.1.

14. Furthermore, it is expected that the NAO will advise a calendar for discussion/review of audit observations (particularly the serious financial irregularities) through tripartite meetings with ADB to facilitate executive follow-up on audit observations and recommendations.

15. **Financial reporting.** MOE, DOE, and DOEP and PEAs will prepare their annual financial statements for the RBL program. The program financial statement will reflect the expenditures incurred under the MOE and PEA budget Heads and codes dedicated for secondary education and well as the MOE budget codes for DOE, DOEP, and NIE as follows:

Central level institutions:

- (e) MOE: Budget head 126 – MOE; Program code 01- Operational activities, Project code 02 - Administration & Establishment Services; Program Code 02 – Development Activities; Project code 04 - Secondary Education, Project code 06 – Teacher development and Project code 07 – General Education Development Project (Subprojects 24 & 25 only);
- (f) DOEP: Budget Head 213, Program code 02 - Development activities, Project Code - 01 Establishment of Services; and,
- (g) DOE: Budget Head 212, Program Code 02 - Development activities, Project Code: 01 – Evaluation of examination.

Provincial level institutions:

- (h) PEAs: Budget Heads 312- 18 & 21, Program Code 81 - School Activities and Project Code 05 - Secondary Education.

16. The program financial statements shall be supplemented by additional notes and disclosures to align them with Sri Lankan Public Sector accounting standards and satisfy ADB's requirements. In this regard, the notes of the Program financial statements will include a statement of expenditures per selected budget heads and program/project codes and prorated for upper secondary education (grades 10–13) using the applicable student ratio for the year in question. Appendix 2.2 includes detailed guidance on the Budget Heads and Codes Applicable to the RBL program, the estimated amounts and the applicable student ratio to be used for each budget head and code. Appendix 2.3 includes a sample report template to be included in the notes of the program financial statements to report the estimated expenditures incurred as part of upper secondary education (grades 10–13)

17. The program financial statements of the central level institutions; MOE (secondary education and NIE), DOE and DOEP and consolidated program financial statement of the nine PEAs shall include:

- (i) Statement of Financial Position;
- (ii) Statement of Financial Performance;
- (iii) Statement of Cash Flow;
- (iv) Summary statement of Expenditure by program by major Budget heads including comparison of Budgeted vs actual expenditures;
- (v) Statement of Appropriation accounts/Budgeted vs Actual expenditures for each central and provincial level entity; and
- (vi) Notes to the financial statements including significant accounting policies and breakdowns of the following: (i) the amount of expenditures incurred under the selected budget heads, and program as well as project codes and prorated in to reflect the upper secondary education sector, i.e. grades 10–13 (please refer to table appendix 2.2 and 2.3 for a guidance and a sample report); (ii) the amount of expenditures incurred as part of procurement from non ADB- member countries (if any); (iii) budgeted amount and expenditures incurred as part of the teacher incentive policy for the current year and cumulative; and (iv) budgeted amount and expenditures incurred as part of the school grant scheme for the current year and cumulative.

18. **Audit report.** The objective of the audit is to provide assurances to ADB that the financial statements of the program for secondary education present a true and fair view and are free from misstatements as a result, the, audit report will include the following separate audit opinions:

- (i) whether the project financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework;
- (ii) the level of compliance for each financial covenant contained in the legal agreements for the program (if any); and,
- (iii) whether the aggregate amount of ADB disbursement proceeds under the RBL modality does not exceed the amount of the total program expenditures on goods, works, and services from ADB member countries, including from the borrowing country.

19. The audit reports and the audited consolidated program financial statements, will be submitted in the English language to ADB within nine months after the end of the fiscal year and will be accompanied by separate management letters outlining any identified internal control issues, audit recommendations as well as priority. The management letter should also include

management's response to the audit observations should be reflected in the management letter. From the second year onward, the management letter must also include a follow-up on previous years audit observations.

20. **Management letter.** The auditor will prepare and submit along with the audit report, a separate Management letter for the program. The management Letter will elaborate the findings of the audit and contain recommendations for improvements in internal control and other matter coming to the attention of the auditor during the audit examination. The management letter will include the matters such as the following:

- (i) Observations on deficiencies/ weakness on the accounting records, systems and controls that were examined during the course of the audit and management's response to these together with specific recommendations for improvement.
- (ii) Bring to Management's attention any matters that might have a significant impact on the implementation of the Program or that the auditor considers necessary and pertinent.
- (iii) Report of the status of the progress of the program action plan agreed by MOE in respect of Procurement and Financial Management action points.
- (iv) Adequacy of FM staffing.
- (v) Adequacy of compliance with previous audit findings and recommendations outlined in the Audit Report and/or the Management Letter and status of any issues which remain to be addressed and any issues which recurred.
- (vi) Adequacy of compliance with Internal audit findings.
- (vii) Bring to the government and development partner attention any other matters that the auditor considers pertinent.

21. Serious Issues, which affect the auditor's opinion as to whether the financial statements give a true and fair view should be referred to in the audit opinion. The Management Letter should include only those issues which do not affect the fairness of the financial statements.

22. The Management letter may be issued separately for each province and the Ministry of Education, and need not be consolidated. If no major internal control issues are identified, a statement negating control issues should be prepared. From the second year onward, the management letter must also include a follow-up on previous years audit observations.

23. **Timeline for submission of audit reports.** The audits should be carried out annually. As the period of the first audit will include prior results achieved 12 months prior to the effective date and is therefore expected to cover the time period of 24 months from 1.1.2020 to 31.12.2021. The audits will be conducted in a timely manner so that the audited program financial statements along with the management letter are submitted to ADB within 9 months of the end of each fiscal year. The Audited program financial statement will be disclosed on the ADB website.

24. **General.** The auditor will be given access to all program related books, records, reports and information required for the purposes of conducting the audit. The information made available to the auditors will include the relevant loan agreement, program action plan, the program implementation document, program fiduciary assessment, the minutes of the loan negotiations. The documents are available on ADB's website and/or will be provide by MOE. Confirmation should also be obtained of amounts disbursed and outstanding with ADB and the government.

25. ADB reserves the right to commission supplementary audit, if NAO considers it unfeasible to satisfy specific donor audit needs as part of its constitutional statutory audit. In case an external auditor needs to be commissioned for a supplementary audit, the auditor should be given access

to all legal documents, correspondences, and any other information associated with the commission and deemed necessary by the auditor.

Note: This is a statement of audit needs of ADB and does not in any way intend to limit the scope of the statutory audit.

**APPENDIX 2.1: INDICATIVE TEMPLATES FOR AUDITORS' OPINION ON CONSOLIDATED PROGRAM FINANCIAL STATEMENTS OF THE CENTRAL LEVEL ACCOUNTS; MOE, DOEP and DOE / THE 9 PROVINCIAL LEVEL ACCOUNTS**

NAOLOGO  
AUDITOR GENERAL'S REPORT  
Auditor General of Sri Lanka  
[Appropriate Addressee]

**Report of the Auditor General on the Consolidated Financial Statements of the government program for secondary education supported by the ADB Results Based Lending (Loan No...) for the year ended 31 December 20XX– Central Level Institutions / nine provincial institutions**

62. The audit of the consolidated financial statements of the **Government program for secondary education supported by the ADB Results Based Lending (Loan No...)**....("The RBL program") for the year ended 31 December 20XX as consolidated from the Central Appropriation Accounts of [give THE NAMES AND NUMBERS OF THE APPROPRIATION ACCOUNTS], AND/OR the nine Provincial Appropriation Accounts Sector [GIVE THE NAMES AND NUMBERS OF THE PROVINCIAL LEVEL APPROPRIATION ACCOUNTS] which comprise the Statement of Financial Position, Statement of Financial Performance; and Statement of Cash Flow and a summary of significant accounting policies and related explanatory notes as at 31 December 20XX, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions in the Loan agreement No..... dated ..... entered into between the Democratic Socialist Republic of Sri Lanka and the Asian Development Bank.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with ***Sri Lanka Accounting Standards / Sri Lanka Public Sector Accounting Standards (As applicable)***, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Program's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the program's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Opinion

In my opinion, the accompanying financial statements [give a true and fair view of the financial position OR give a true and fair view subject to my observations in listed below or do not give a true and fair view] of the Program as at 31 **December 20XX**, and of its financial performance/ statement of expenditure (*as the case may be*) and its cash flows for the year then ended in accordance with **Sri Lanka Accounting Standards / Sri Lanka Public Sector Accounting Standards (As applicable)**.

[Alternatively: —Except for the matters given below, in our opinion ....]

### Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAS). My responsibilities, under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Report on Other Requirements of the Donor Agency

As required by the Asian Development Bank, I state the followings:

- a. The basis of opinion and scope and limitations of the audit are as stated above.
- b. In my opinion the following covenants have been complied with [list financial covenants individually here], and the following covenants have not been complied with [list financial covenants individually here]
- c. In my opinion, the total ADB disbursement of [Insert the amount] to date, including [Insert the amount]. during this reporting period, DOES NOT / DOES exceed the aggregate<sup>1</sup>

<sup>1</sup> Aggregate expenditure includes expenditures incurred under the agreed budget heads by the Central Level Agencies (MOE, DOE, DOEP) and nine PEAs

program expenditure of [Insert the amount] to date, including [Insert the amount] during this reporting period, excluding procurement of goods, works, and services from non-member countries of ADB.

Auditor General



**APPENDIX 2.2: GUIDANCE ON NOTES DISCLOSURE - BUDGET HEADS AND CODES APPLICABLE TO THE RBL PROGRAM, THE ESTIMATED AMOUNTS AND THE APPLICABLE STUDENT RATIO TO BE USED FOR EACH BUDGET HEAD AND CODE**

Institution	Budget Head	Program Code	Project Code(s)	Budget items	Total Expenditure 2020-2025 (SLR million)	%	\$ million	Instructions for Program Financial Reporting*
MOE	126	01-Operational Activities	02-Administration & Establishment Services	Recurrent	36,953.9	6.2%	198.6	Total expenditures under this budget code are to be adjusted to reflect estimated expenditures incurred as part of upper secondary education (grades 10–13) by multiplying the figure with the upper secondary student ratio calculated as the number of grades 10–13 students divided by the number of grades 1–13 students)
				Capital	1,044.3	0.2%	5.6	
MOE	126	02 – Development Activities	04 Secondary Education	Recurrent	96,059.7	16.1%	516.3	Total expenditures under this budget code are to be adjusted to reflect estimated expenditures incurred as part of upper secondary education (grades 10–13) by multiplying the figure with the upper secondary student ratio calculated as the number of grades 10–13 students divided by the number of grades 6–13 students)
				Capital	9,268.8	1.6%	49.8	
MOE (Includes NIE)	126	02 - Development activities	06 -Teacher development	Recurrent	14,388.9	2.4%	77.3	100% of Expenditures under this budget code are to be considered.
				Capital	11,562.4	1.9%	62.2	
MOE	126	02 - Development activities	07 - General Education Development Project <u>only items under sub pro. 24 &amp; 25</u>	Recurrent	0.0	0.0%	0.0	Total expenditures under this budget code are to be adjusted to reflect estimated expenditures incurred as part of upper secondary education (grades 10–13) by multiplying the figure with the upper secondary student ratio calculated as the number of grades 10–13 students divided by the number of grades 1–13 students
				Capital	36,790.1	6.2%	197.8	
DOEP	213	02 Development activities	01 – establishment of services	Recurrent	473.0	0.1%	2.5	100% of Expenditures under the budget code are to be considered.
				Capital	364.1	0.1%	2.0	
DOE	212	02 Development activities	01 – Evaluation of examination	Recurrent	29,681.1	5.0%	159.5	100% of Expenditures under the budget code are to be considered.
				Capital	2,824.8	0.5%	15.2	

Institution	Budget Head	Program Code	Project Code(s)	Budget items	Total Expenditure 2020-2025 (SLR million)	%	\$ million	Instructions for Program Financial Reporting*
PEAs (provincial level)	312 – 318 and 321	81-School activities	05 secondary Education	Recurrent	349,637.3	58.7%	1,879.4	Total expenditures under this budget code are to be adjusted to reflect estimated expenditures incurred as part of upper secondary education (grades 10–13) by multiplying the figure with the upper secondary student ratio calculated as the number of grades 10–13 students divided by the number of grades 6–13 students)
				Capital	6,523.6	1.1%	35.1	
				<b>Total</b>	<b>356,160.9</b>	<b>59.8%</b>	<b>1,914.4</b>	
Grand total				<b>Total Recurrent</b>	<b>527,193.9</b>	<b>88.5%</b>	<b>2,833.8</b>	
				<b>Total Capital</b>	<b>68,378.1</b>	<b>11.5%</b>	<b>367.5</b>	
				<b>Total</b>	<b>595,572.0</b>	<b>100.0 %</b>	<b>3,201.3</b>	*

### APPENDIX 2.3: SAMPLE NOTE DISCLOSURE REQUIRED BY ADB TO BE INCLUDED IN THE PROGRAM FINANCIAL STATEMENTS

Statement of expenditures by the selected budget heads and program/project codes and prorated for upper secondary education (grades 10–13) using the applicable student ratio for the year in question

Institution	Budget Head	Program Code	Project Code(s)	Budget items	Total Expenditure		Program expenditure (upper secondary)		
					For the Fiscal year	Cumulative (from 1.1.2020)	Student ratio to be used	For the Fiscal year	Cumulative (from 1.1.2020)
MOE	126	01- Operational Activities	02- Administration & Establishment Services	Recurrent			Upper secondary student ratio calculated as the number of grades 10–13 students divided by the number of grades 1–13 students.		
				Capital					
MOE	126	02 – Development Activities	04 Secondary Education	Recurrent			Upper secondary student ratio calculated as the number of grades 10–13 students divided by the number of grades 6–13 students.		
				Capital					
MOE	126			Recurrent					

Institution	Budget Head	Program Code	Project Code(s)	Budget items	Total Expenditure		Program expenditure (upper secondary)		
					For the Fiscal year	Cumulative (from 1.1.2020)	Student ratio to be used	For the Fiscal year	Cumulative (from 1.1.2020)
		02 - Development activities	06 -Teacher development	Capital			100% of Expenditures under this budget code are to be considered.		
MOE	126	02 - Development activities	07 - General Education Development Project <u>only</u> Items under sub pro. 24 & 25	Recurrent			Upper secondary student ratio calculated as the number of grades 10–13 students divided by the number of grades 1–13 students.		
				Capital					
DOEP	213	02 Development activities	01 – establishment of services	Recurrent			100% of Expenditures under the budget code are to be considered.		
				Capital					
DOE	212	02 Development activities	01 – Evaluation of examination	Recurrent			100% of Expenditures under the budget code are to be considered.		
				Capital					
PEAs (provincial level)	312 – 318 and 321	81-School activities	05 secondary Education	Recurrent			Upper secondary student ratio calculated as the number of grades 10–13 students divided by the number of grades 6–13 students.		
				Capital					
				<b>Total</b>					
<b>Grand total</b>				<b>Total Recurrent</b>					
				<b>Total Capital</b>					
				<b>Total</b>					

**APPENDIX 3. INDICATIVE CONVERSION TABLE OF ORIGINAL RESULTS-BASED LENDING PROGRAM BUDGET HEADS,  
PROGRAM CODES AND PROJECT CODES AND ITMS BUDGET CODES**

Indicative conversion table of original RBL Program budget heads, program codes and project codes and ITMS budget codes						
	Original Budget heads, program codes and project codes				ITMIS budget codes	
Institution	Budget Head	Program Code	Project Code(s)	Budget items	Corresponding ITMIS Budget code	Remarks
MOE	126	01- Operational Activities	02- Administration & Establishment Services	Recurrent		
				Capital		
MOE	126	02 – Development Activities	04 Secondary Education	Recurrent		
				Capital		
MOE	126	02 -Development activities	06 -Teacher development	Recurrent		
				Capital		
MOE	126	02 -Development activities	07 - General Education Development Project only Items <u>under sub pro. 24 &amp; 25</u>	Recurrent		
				Capital		
DOEP	213	02 Development activities	01 – establishment of services	Recurrent		
				Capital		
DOE	212	02 Development activities	01 – Evaluation of examination	Recurrent		
				Capital		
PEAs (provincial level)	312 – 318 and 321	81-School activities	05 secondary Education	Recurrent		
				Capital		
				<b>Total</b>		
<b>Grand total</b>				<b>Total Recurrent</b>		
				<b>Total Capital</b>		
				<b>Total</b>		

## **APPENDIX 4: FINANCIAL INFORMATION TO BE INCLUDED IN THE SEMIANNUAL PROGRESS REPORTS**

The following information is to be included in the semiannual progress reports to be submitted to ADB within 60 days after the end of reporting period.

This section should provide an overall describes the budget allocation and release of funds to the education sector including the following:

### **A. Overall Financial progress under the RBL program**

This section should provide an overall assessment of financial progress of the program including an analysis of the adequacy and timeliness of government funding allocated and released as part of the agreed budget codes.<sup>1</sup> The section should discuss the following:

- Analysis of any significant deviations from the GESDP Medium Term Budget framework (MTBF) and the annual approved budget allocations. In the case of significant deviations from the MTBF, the potential impact on achieving the program's results and the DLIs should be highlighted and discussed;
- Analysis of expenditures incurred as part of the approved annual budget including the execution rates (budgeted vs. actual expenditures) and explanation of any significant variations; and
- Detailed analysis of budgeted amounts and expenditures incurred as part of the following key budget lines: a) the teacher incentive policy (for the current year and cumulative) and b) the school grant scheme (for the current year and cumulative). Significant variances (if any) should be adequately highlighted.

### **B. Disbursement status of the ADB loan**

This section should describe the disbursement status under the ADB loan of including the following:

- Comparison of aggregate amount of ADB loan proceeds disbursed under the ADB RBL and aggregate expenditures incurred under the selected RBL program budget codes<sup>2</sup> and prorated for upper secondary (formula to be used: total program expenditures under the agreed budget heads and codes, prorated using the upper secondary student ratio - excluding procurement from non ADB member countries  $\geq$  ADB financing);
- Analysis of the progress achieved under each DLI during the reporting period, and cumulative year to date and a comparison against the agreed targets. Any expected delays or problems in aching the DLIs should be adequately highlighted and analyzed; and
- Analysis of the disbursement made under the ADB loan for the reporting period, and cumulative year to date including a reconciliation of amounts claimed from ADB and the amounts received by from ADB by the government Treasury.

### **C. Program Financial management**

This section should describe the status of the Program Financial management and compliance with the agreed actions and ADB requirements including the following:

- (i) Discussion of the overall status of program financial management arrangements including: a) any problems in the existing financial management arrangements and /or flow of funds, b) any significant changes occurred during the reporting period (e.g. FM staff turnover, implementation of new financial systems, emerging financial management related risks etc.);

<sup>1</sup> RBL program budget codes include the following: MOE Budget head 126 – Program code 01- Operational activities, Project code 02 - Administration & Establishment Services; Program Code 02 – Development Activities; Project code 04 - Secondary Education, Project code 06 – Teacher development and Project code 07 – General Education Development Project (Subprojects 24 & 25 only); DOEP Budget Head 213 -Program code 02 - Development activities, Project Code - 01 Establishment of Services; DOE Budget Head 212 - Program Code 02 - Development activities, Project Code: 01 – Evaluation of examination. as well as Provincial budget heads 312 – 318 and 321: Program code 81 – Secondary Education.

<sup>2</sup> Required by ADB results-based lending policy.

- (ii) Summary of the status of each FM related action included in the program action plan (PAP) and the progress achieved since last reporting period. Accordingly, this section should cover the following agreed actions:
  - a. Activities undertaken to introduce and undertake Program Based Budgeting (PBB);
  - b. Training activities performed in applying government's budget classification system and prepare budgets in a correct and consistent manner at MOE and Provincial levels; and
  - c. Reduction recurring External audit observations and timely implementation of audit recommendations.
- (iii) Include a summary of the status of implementation of each action included in the financial management action plan (FMAP) and the progress achieved since last reporting period;
- (iv) Status of each financial management related actions (if any) agreed and recorded in mission aide memoires and the progress achieved since last reporting period; and
- (v) Status of Recommendations and actions raised by ADB as part of the Audited program financial statements (APFS) review (if any).

### **Appendixes**

Attach the following appendixes to the semi-annual progress report when submitting it to ADB:

- (i) Detailed reconciliation (by Withdrawal application) of project records and ADB disbursement records (LFIS/GILFIS) for the fiscal year to date and cumulative;
- (ii) Detailed Status of Status of past audit observations (resolved/ pending) raised by the National Audit Office (NAO);
- (iii) Detailed Status of FM action plan (complied/ongoing); and
- (iv) Detailed Status of FM related actions agreed during ADB review missions (if any).



**QPR APPENDIX 2: DETAILED STATUS OF STATUS OF PAST AUDIT OBSERVATIONS (RESOLVED/ PENDING) RAISED BY THE NATIONAL AUDIT OFFICE**

External Audit Qualification/observation	Date of the Recommendation	Planned Actions to Address the Recommendation	Responsibility	Current Status of the Planned Action (pending /resolved)	Remarks



### QPR APPENDIX 3: DETAILED STATUS FINANCIAL MANAGEMENT ACTION PLAN

Agreed action	Responsibility	Timeframe	Current status (implemented/ongoing)	Remarks
<p>The SMTSU to be staffed with a qualified accountant to ensure ADBs financial management requirements are met.</p> <p>Appoint an accountant as a program focal point in each PIU established in the provincial education departments to ensure timely preparation and flow of financial information between SMTSU and PIUs</p>	MOE	Loan effectiveness.		
<p>The SMTSU accountant and other relevant finance staff as well as staff from NAO to be trained on ADB's disbursement procedures and FM requirements by completing e-learning and attending trainings.</p>	ADB	Upon deployment and ongoing.		
<p>Coordinate with NAO to finalize the statement of audit needs and audit opinion letters and to ensure the SESIP is included in the audit plan of NAO and the audit report is prepared in a timely manner.</p>	MOE/SMTSU, NAO and ADB	Loan effectiveness		
<p>Compile, consolidate and analyse central and provincial level financial information.</p> <p>Financial information to be included in the semi-annual progress reports.</p> <p>Submit the audited program financial statements of MOE, consolidated audited program financial statements of the PEAs, and the additional information to ADB.</p>	MOE/ SMTSU	<p>Throughout the program implementation</p> <p>Within 60 days after the end of the reporting period.</p> <p>Annually within 9 months after the end of the fiscal year.</p>		
<p>Prepare a conversion table of the current budget codes and the ITMIS budget codes to ensure consistent reporting of program expenditures under ITMIS</p>	MOE/ SMTSU	By ITMIS roll out or by the end of FY 2021, whichever is earlier.		

ADB = Asian Development Bank, NAO = National Audit Office , FM = financial management, MOE = Ministry of Education, RBL = results-based lending, SMTSU = Sector Monitoring and Technical Support Unit.

Source: Asian Development Bank.

**ATTACHMENT 4: DETAILED STATUS OF FM RELATED ACTIONS AGREED DURING ADB REVIEW MISSIONS**

<b>Date of the Review Mission</b>	<b>Agreed Actions</b>	<b>Timeline</b>	<b>Responsible Entity</b>	<b>Current Status (implemented/pending)</b>	<b>Remarks</b>

## **GUIDELINES TO PREVENT OR MITIGATE FRAUD, CORRUPTION, AND OTHER PROHIBITED ACTIVITIES IN RESULTS-BASED LENDING FOR PROGRAMS**

### **A. Purpose and General Principles**

1. The developing member country (DMC) is responsible for the implementation of programs supported by results-based lending (RBL). The Asian Development Bank (ADB) has a fiduciary responsibility to ensure that its loans and other forms of financing used only for the purposes for which they were granted, in accordance with the Agreement Establishing the Asian Development Bank (the Charter).<sup>1</sup> To uphold that obligation, ADB presents these guidelines to prevent or mitigate fraud, corruption, and other prohibited activities (referred to as ‘integrity violations’ in ADB’s Integrity Principles and Guidelines, 2015 as amended from time to time, or ‘IPG’ for brevity) in RBL operations financed in whole or in part by ADB. These guidelines build upon the legal obligations presented in the loan agreement and apply to operations funded by the RBL (the programs).<sup>2</sup>
2. These guidelines do not limit any other rights, remedies, or obligations of ADB or the DMC under the loan agreement or any other agreement to which the ADB and the DMC are both parties.
3. All persons and entities participating in the programs are bound by ADB’s Anticorruption Policy (1998, as amended to date) and the IPG, and as such must observe the highest ethical standards; take all appropriate measures to prevent or mitigate fraud, corruption, and other integrity violations; and refrain from engaging in such actions in connection with the programs.

### **B. Definitions**

4. These guidelines address the following practices as defined by ADB:
  - (i) A “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
  - (ii) A “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation.
  - (iii) A “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
  - (iv) A “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
5. In addition, ADB may investigate conflicts of interest and abuse, as defined below, as well as other integrity violations enumerated and defined in the IPG:
  - (i) A “conflict of interest” is a situation in which a party has interests that could improperly influence a party’s performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations. To the extent that conflicts of interest may provide an unfair competitive advantage or compromise the integrity of financial and governance systems, conflicted persons and entities must be excluded from participating in relevant program activities.

<sup>1</sup> Asian Development Bank (ADB). 1966. [Agreement Establishing the Asian Development Bank](#). Manila.

<sup>2</sup> ADB may support a part (or a slice) of a government program or the entire government program through results-based lending (RBL). The program or the part that is supported by the RBL is referred to as the RBL program.

- (ii) "Abuse" is theft, waste or improper use of assets related to ADB-related activity, either committed intentionally or through reckless disregard.

**C. Developing Member Country's Actions to Prevent Fraud, Corruption, and Other Integrity Violations in Results-Based Lending for Programs**

6. Unless otherwise agreed in writing by the DMC and ADB, the DMC will take timely and appropriate measures to:

- (i) ensure that the program is carried out in accordance with these guidelines;
- (ii) avoid conflicts of interest in the program;
- (iii) prevent fraud, corruption, and other integrity violations from occurring in the program, including adopting, implementing, and enforcing appropriate fiduciary and administrative practices and institutional arrangements to ensure that the proceeds of the loan are used only for the purposes for which the loan was granted;
- (iv) promptly inform ADB of allegations of fraud, corruption, and other integrity violations found or alleged related to a program;
- (v) investigate allegations of fraud, corruption, and other integrity violations and report preliminary and final findings of investigations to ADB;
- (vi) respond to, mitigate, and remedy fraud, corruption, or other integrity violations that are found to have occurred in a program and prevent its occurrence;
- (vii) cooperate fully with ADB in any ADB investigation into allegations of fraud, corruption, and other integrity violations related to the program, and take all appropriate measures to ensure the full cooperation of relevant persons and entities subject to the DMC's jurisdiction in such investigation, including, in each case, allowing ADB to meet with relevant persons and to inspect all of their relevant accounts, records and other documents and have them audited by or on behalf of ADB; and
- (viii) ensure that persons or entities sanctioned or temporarily suspended by ADB do not participate in RBL programs in violation of their sanction or temporary suspension.

**D. ADB's Actions to Prevent Fraud, Corruption, and Other Integrity Violations in Results-Based Lending for Programs**

7. Unless otherwise agreed in writing by the DMC and ADB, ADB will:

- (i) inform the DMC of credible and material allegations of fraud, corruption, and other integrity violations related to a program, consistent with ADB's policies and procedures;
- (ii) have the right to investigate allegations, in accordance with the IPG, independently or in collaboration with the DMC, including, in each case, meeting with relevant persons, and inspecting all of their relevant accounts, records and other documents and having them audited by or on behalf of ADB;
- (iii) inform the DMC of the outcome of any investigation, consistent with ADB policies and procedures;
- (iv) have the right to impose sanction and other remedial action on any individual or entity for engaging in practices defined above, or to temporarily suspend any individual or entity during the course of an investigation, in accordance with ADB's policies and procedures; sanctions and temporary suspensions may result in that

- party's exclusion from participating in an RBL-financed activity or any other ADB-related activity indefinitely or for a stated period of time;<sup>3</sup>
- (v) assess ways to respond pursuant to the Anticorruption Policy and other ADB policies and procedures, and may refer the case to appropriate authorities of a concerned DMC, if investigative findings indicate that a government official has engaged in fraud, corruption, and other integrity violations related to a program; and
  - (vi) recognize sanctions determined by other multilateral development banks in accordance with the Agreement for Mutual Enforcement of Debarment Decisions.

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<sup>3</sup> Pursuant to ADB's Integrity Principles and Guidelines (2015, as amended from time to time), if a sanctioned party has an ongoing contract financed by ADB, the debarment or temporary suspension may not affect existing contractual obligations. However, any contract variation must be endorsed by OAI to ensure that a contract variation involving a sanctioned or temporarily suspended party is not an attempt to circumvent the sanction.