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Report No: 29047

PROJECT APPRAISAL DOCUMENT  
ON A PROPOSED  
LOAN IN THE AMOUNT OF US\$3.1 MILLION  
AND  
CREDIT IN THE AMOUNT OF SDR2.2 MILLION (US\$3.1 MILLION EQUIVALENT)  
TO THE  
GOVERNMENT OF SAINT VINCENT AND THE GRENADINES  
FOR AN  
OECS EDUCATION DEVELOPMENT PROJECT  
IN SUPPORT OF THE THIRD PHASE OF THE  
OECS EDUCATION DEVELOPMENT PROGRAM

27 May 2004

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CURRENCY EQUIVALENTS  
(Exchange Rate Effective 25 May 2004)

Currency Unit = Eastern Caribbean Dollar (EC\$)

EC\$ 2.68 = US\$ 1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

APL	Adjustable Program Lending
BEP	Basic Education Project
CAS	Country Assessment Strategy
CDB	Caribbean Development Bank
CDU	Curriculum Development Unit
CEE	Common Entrance Exam
CIDA	Canadian International Development Agency
CKLN	Caribbean Knowledge and Learning Network
CXC	Caribbean Examinations Council
DFID	Department for International Development
EC\$	Eastern Caribbean Dollars
EA	Environmental Assessment
EMIS	Education Management Information System
EPM	Education Programme Manager (for DFID)
EPMU	Education Project Management Unit
EPSC	Education Project Steering Committee
EPU	Education Planning Unit
EKMN	Education Knowledge Management Network
ESDP	Education Sector Development Plan
EU	European Union
FMR	Financial Monitoring Report
GDP	Gross Domestic Product
GOSVG	Government of Saint Vincent and the Grenadines
IRR	Internal Rate of Return
LAC	Latin America and the Caribbean
MEYS	Ministry of Education, Youth and Sports
MFPD	Ministry of Finance, Planning and Development
OECS	Organization of Eastern Caribbean States
OEDP	OECS Education Development Project
OERU	OECS Education Reform Unit
PCU	Project Coordination Unit
PTR	Pupil Teacher Ratio
SKN	Saint Kitts and Nevis
SA	Special Account
SVG	St. Vincent and the Grenadines
UNESCO	United Nations Educational, Scientific and Cultural Organization
UWI	University of the West Indies

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**ST. VINCENT AND THE GRENADINES  
St. Vincent: OECS Education Development Project**

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MAP No. 13500R

ST. VINCENT AND THE GRENADINES  
 OECS EDUCATION DEVELOPMENT PROJECT  
 PROJECT APPRAISAL DOCUMENT  
 LATIN AMERICA AND CARIBBEAN (LCSHE)

Date: May 27, 2004 Country Director: Caroline D. Anstey Sector Manger/Director: Ana-Maria Arriagada  Project ID: P086664  Lending Instrument: Adaptable Program Loan	Team Leader: Cynthia Hobbs Sectors: Secondary education (45%); Tertiary education (20%); Central government administration (20%); Sub- national government administration (15%) Themes: Education for all (P); Public expenditure, financial management and procurement (S); Education for the knowledge economy (S) Environmental screening category: Partial Assessment Safeguard screening category: Limited impact
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Project Financing Data			
<input checked="" type="checkbox"/> Loan <input checked="" type="checkbox"/> Credit <input type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input type="checkbox"/> Other:			
Total Bank financing (US\$m.): 6.20			
Proposed terms: FSL			
Financing Plan (US\$m)			
Source	Local	Foreign	Total
BORROWER/RECIPIENT	1.73	0.77	2.50
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	1.02	2.08	3.10
INTERNATIONAL DEVELOPMENT ASSOCIATION	1.02	2.08	3.10
UK: BRITISH DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)	0.46	0.34	0.80
Total:	4.23	5.27	9.50
<b>Borrower:</b>			
Government of St. Vincent and the Grenadines			
<b>Responsible Agency:</b>			
Ministry of Finance, Planning and Development; Ministry of Education, Youth and Sports P.O. Box 608 Kingstown St. Vincent and the Grenadines			

Estimated disbursements (Bank FY/US\$m)					
FY	2005	2006	2007	2008	2009
Annual	0.90	1.62	2.14	1.48	0.06
Cumulative	0.90	2.52	4.66	6.14	6.20
Project implementation period: Start June 30, 2004 End: June 30, 2008 Expected effectiveness date: November 1, 2004 Expected closing date: December 30, 2008					
Does the project depart from the CAS in content or other significant respects? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>Ref. PAD A.3</b>					
Does the project require any exceptions from Bank policies? <b>Ref. PAD D.7</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Have these been approved by Bank management? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Is approval for any policy exception sought from the Board? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Does the project include any critical risks rated "substantial" or "high"? <b>Ref. PAD C.5</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
Does the project meet the Regional criteria for readiness for implementation? <b>Ref. PAD D.7</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Project development objective <b>Ref. PAD B.2, Technical Annex 3</b> The project will: (i) increase equitable access to secondary education; (ii) improve the quality of the teaching and learning process, with more direct interventions and provision of resources at the school level, a focus on student-centered learning and mechanisms to provide student support, and (iii) strengthen management of the sector and governance of schools.					
Project description [one-sentence summary of each component] <b>Ref. PAD B.3.a, Technical Annex 4</b> Component 1, Increase equitable access, will finance construction of one secondary school and rehabilitation of four other schools. Component 2, Improve quality, will support upgrading of teacher skills and standards, curriculum development for Forms I to III (lower secondary), a literacy enrichment program and improved student support services. Component 3, Strengthen management and governance, will update the legal and regulatory framework, improve MEYS and school management and provide opportunities for knowledge sharing. Component 4, Project Management, will improve coordination of donor-financed activities through establishment of an Education Project Management Unit (EPMU) and benefit from and strengthen an existing fiduciary Project Coordination Unit (PCU).					
Which safeguard policies are triggered, if any? <b>Ref. PAD D.6, Technical Annex 10</b> Environmental Assessment and Cultural Property for new school construction.					
Significant, non-standard conditions, <b>if any</b> , for: <b>Ref. PAD C.7</b> Board presentation: Not applicable. Third phase of the APL requires VP approval with no objection from the Board. Loan/credit effectiveness: November 1, 2004. Covenants applicable to project implementation: Not applicable.					

## **A. STRATEGIC CONTEXT AND RATIONALE**

### **1. Country and sector issues**

#### **Key elements of the St. Vincent and the Grenadines (SVG) Education Sector Strategy**

The Government of St. Vincent and the Grenadines (GOSVG) seeks to improve the access, relevance, quality and efficiency of education at all levels. Given the small size of the country and the significant financial support from external funding agencies, the country has been afforded the opportunity to address goals at all levels, as outlined in the recently approved Education Sector Development Plan (ESDP, 2002 to 2007). Specific sector goals include: (i) increasing access to early childhood education for ages 3-5; (ii) raising primary education completion rates and improving quality of learning; (iii) achieving universal secondary school enrollment and (iv) improving access to and quality of post-secondary education. These goals are being achieved with increased institutional efficiency and ongoing technical support from multiple donors. The ESDP has established the following key educational goals that drive the reform process:

- a well managed, effective and efficient education system, based on national policies of inclusion and transparency;
- access for a pre-primary cohort to quality early childhood education;
- improved standards of achievement and provision of primary education for all;
- universal access to five-year comprehensive secondary education and an integrated effective post-secondary education system;
- appropriate opportunities for continuing education throughout adulthood; and
- a fully trained and high quality teaching force.

To achieve the education policy's objectives, the country has committed a high share of public resources to the sector. The 2003 education budget comprised 7.7% of GDP and 16.9% of total Government expenditures. A significant portion (73% in 2003) of the sector investments come from international donors (*see Annex 2 for full listing of donors and areas of funding*).

#### **Ongoing Constraints to Achievement of the Country's Education Sector Goals**

During the last few years, the GOSVG has garnered more external funding for the education sector than any other OECS island. Yet in spite of significant sector spending, education indicators show SVG as the weakest performer among the OECS countries (*see table of comparative regional data in Annex 1*): (i) a smaller share of children attend early childhood education; (ii) around 15% of a cohort leaves primary or senior primary school without a diploma; (iii) only 45% continued to the 5-year cycle of secondary education in 2001 (increased to 70% with the construction of annexes in 2002-03); and (iv) only 10% enter post-secondary education. Sector improvements have been limited due to coordination difficulties among institutions involved in the management of the education sector, and insufficient tracking and management of the different funding inputs. The Bank team has worked with the GOSVG and other donors during project preparation to better coordinate donor inputs, and the proposed project includes organizational arrangements to mitigate the risks this situation poses to project implementation. The following describes SVG sector issues, which are similar to those in the OECS region though more accentuated.

Inefficient returns to sector investments. A record high share of SVG's GDP is invested in education, but the returns are very low. In real terms, the education expenditures increased by 65

percent from 1997 to 2003. Yet a high gross enrolment rate in primary (111%) signals a prevalence of over-aged pupils due to high repetition rates (10% in 2002). Despite universal enrolment in primary, completion rates are the lowest in the OECS (84%). Furthermore, of the pupils who took the Common Entrance Exam (CEE) to continue to secondary school in 2003, only some 44% passed. An additional 29% of the students from Grade 6 and senior primary also gained access to secondary. The low transition rate implies low secondary gross enrolment (73% in 2003) which, combined with high repetition and drop out, results in a low secondary school completion rate (49% in 2003).

The cost of these inefficiencies is high. In 2003, SVG had the highest primary school repetition rate in the Caribbean and the second highest for secondary pupils (10%). In secondary education, where the cost per student year is US\$572, the high repetition costs the system nearly US\$0.5 million per year (790 repeaters). Repetition in primary is even more costly: US\$1.0 million was lost from the 1,900 repeaters in 2003. Thus combined repetition in primary and secondary cost the system 7% of its recurrent budget in 2003. Low performance of boys at all levels is also an expensive and persistent problem. Each male graduate of secondary education costs 40% more than a female. Raising boys' performance to the same level as girls' would save the education system approximately US\$1,510 per male graduate of secondary education, a total of some US\$604,000 yearly.

A substantial efficiency gain would be possible if the GOSVG would better manage the teaching force. A decline in births over the 1990s and the expected elimination of senior primary education will substantially reduce enrolment into primary education and, subsequently, the required number of teachers. Further, the increased numbers of pupils in secondary as a result of the GOSVG's universal secondary education policy will raise the teacher-pupil ratio in secondary education. If policymakers would implement a prior agreement with the teachers' union and gradually raise the teacher-pupil ratio from 19 to 21, fewer new teachers would need to be hired, and the potential savings to the education system would rise to nearly US\$1.1 million per year by 2007 (5% of the recurrent education budget in 2003). Thus, strategic teacher deployment could significantly increase efficiency in education delivery. Such a hiring and teacher deployment policy would need to be reviewed on a case-by-case basis, taking into consideration geographical and curricula circumstances.

Inequitable access to education. **Early childhood:** The 125 early childhood centers provide coverage to 50% of the age population. The state relies completely on private initiatives at this level, which limits expansion possibilities. Fees range from EC\$30 to EC\$260 per month, a level that limits access to children from low-income families. **Primary:** The country must concentrate efforts on better performance in primary to reach the Millennium Development Goal of universal primary education and improve students' opportunities to enter secondary school. Boys perform more poorly than girls and have a higher tendency to repeat. **Secondary:** Low primary completion rates preclude achievement of universal secondary enrollment. Over 40% of students who write the CEE do not access secondary education due to lack of school spaces. Access varies across the country; shortages of good quality schools are most prevalent in rural areas where there is a high concentration of low-income families. A declining population implies lower primary enrolment and less demand on secondary over time, but some 1,800 places are still needed to achieve universal secondary education. At the secondary level, girls perform 40

percent better than boys. **Post-secondary:** Gross enrolment rate is approximately 10% (1,245 in local institutions and 298 in overseas institutions of an estimated cohort of 15,500 18-24 year olds) which is low compared to other Caribbean and Latin American states. There is substantial gender disparity, with male enrolment significantly lower than female in every college.

Uneven distribution of resources: In the 2002 Caribbean Examinations Council (CXC) exams for secondary school graduates, school cohort scores in Mathematics ranged from as low as 2% to as high as 89%, and in English from 36% to 99%. Not surprisingly, the top performers attended schools with better resources (science labs, libraries) and more highly qualified teachers. Funding was unequally distributed among government schools in the 1990s, whereby the two “elite” schools received double to one third the allotment per pupil of the other 19 schools. Rural schools received a boost in 2001 to allow them to catch up on per pupil funding, and the Government eliminated unequal funding across schools to a large extent by 2003. However, inequities in teacher deployment and infrastructure still persist, thus affecting students’ learning opportunities, and perceptions of “good” schools are still highly prevalent. The 500 top performers on the CEE exam normally choose to attend a “good” school in Kingstown. This creates higher demand for Kingstown schools and concentrates poor performers in rural schools.

Poor quality of education: The low pass rate on the CEE (44%) indicates poor preparation for secondary school. Available data from the secondary leaving exam, the CXC, shows continued poor performance: 37.5% passed Math and 63.9% passed English in 2001. Factors contributing to low quality are: (i) inadequate curriculum support materials at the lower secondary level, including textbooks; (ii) a relatively high percentage of uncertified teachers (56% in secondary without pedagogical training and 30% in primary); (iii) disparities among schools regarding the distribution of certified teachers, which has shown a correlation with the CXC performance; (iv) high attrition rate among uncertified secondary teachers (over 10% per year) and (v) lack of focus on pedagogical training within the teacher training program, especially for secondary school teachers.

Weak governance of the sector and the schools: SVG compares unfavorably to other OECS countries in governance of the education sector. Dominica, Grenada and St. Lucia strengthened their MOE structures, functions and human resources with support from Bank-funded Basic Education Reform Projects. Though other donors have committed support to SVG in these areas, ultimately the emphasis has been placed on school construction. SVG needs to tackle the governance aspects to achieve quality improvement of its education system. This would imply: (i) expanding and improving the education management information system (EMIS), since information about the performance of the education system is not collected and disseminated systematically; (ii) reviewing and restructuring the administrative, management and development functions of the MEYS and (iii) strengthening the planning capacity at all levels. School principals are now receiving training in detailed planning, but education officers’ supervision capacities need to be further developed and strengthened. An ongoing management audit may identify further issues, all of which should be addressed as key to the achievement of the ESDP goals.

### **Country efforts to Achieve Education Sector Objectives**

To meet the immediate need for school places at the secondary level, the GOSVG built annexes in 2003 for an additional 500 students, and 500 more places will be provided in 2004. These structures are well designed and should last for some 10 years. This measure, along with the construction or expansion of three new schools under donor-funded projects, will assist the GOSVG in achieving enough spaces for universal secondary enrollment.

As the universal secondary education policy is applied, there will be a heavy influx of additional students. The Common Entrance Exam (CEE), which currently regulates the flow of students from primary to secondary school, will be abolished and the senior primary cycle will be phased out. Thus even the lowest performing pupils from primary education will enter secondary school. This poses a sizable challenge and has generated great concern among teachers and principals. The MEYS has taken several important steps to assist schools with this transition. First, they are hiring guidance officers for secondary schools to work with low performing and at-risk students. Secondly, they plan to train teachers in the early detection and management of learning difficulties. Third, they are increasing relevance of the lower secondary school curriculum in coordination with the other OECS countries (initiative led by the OECS Education Reform Unit - OERU) and seeking support to define national curriculum and assessment policies in line with the curriculum reforms, taking into consideration a wider range of student aptitudes and interests. Finally, they have elaborated a plan to certify all teachers by 2007. A Youth Empowerment Scheme (YES) sends trainees to the Teachers Training College to meet the existing demand and attrition rates, and donor support will train the uncertified teachers already in the teaching force.

The MEYS is carrying out a management audit (funded by the Caribbean Development Bank – CDB) to identify areas for improved sector management. In addition, they are making efforts to improve planning and information sharing capacities to enhance policy decision-making. A key staff member of the Education Planning Unit recently received an advanced degree in education planning and management and will assist in updating the EMIS. Construction of a new MEYS building to house all education departments under one roof should also improve communications and information flow. School principals are receiving training to devise school development plans and to better monitor school statistics.

### **2. Rationale for Bank involvement**

The Bank has taken a sub-regional approach to work with the small countries of the Organization of Eastern Caribbean States (OECS). A horizontal multi-country Adjustable Program Lending (APL) instrument was established in 2002 to offer continued support to the sub-region's education sector with a focus on improving quality and access at the secondary level. The APL program was approved by the Board of Directors in FY02 for St. Lucia and St. Kitts and Nevis. Grenada joined the program in FY03, and St. Vincent and the Grenadines (SVG) are now preparing their project, tailored to the country's needs. The Bank brings the experience of preparation and implementation of the first two APL phases, along with many background studies to assist SVG, and this experience has sped up the preparation process.

The Bank participated in the Caribbean Education Task Force to establish a regional strategy and is knowledgeable about regional sector issues. The Bank has a standing commitment to provide financial and technical assistance to the Caribbean region and an ongoing relationship with the

ministries of education. A collaborative approach has yielded increased cooperation between the Bank and the countries, and among countries. The Bank introduced an Education Knowledge Management Network (EKMN) as a tool for fostering continued collaboration and has provided ongoing technical assistance to the regional OERU, who will assume responsibility for an expanded EKMN. This initiative has garnered interest and funding from other international donors and regional ministries and will provide a forum for continued sharing of sector work and data across the region. The Bank is also leading the establishment of a Caribbean Knowledge Learning Network which will provide distance training opportunities, including for teachers.

Donor involvement. The GOSVG has been highly successful in garnering financial support from international donors for the education sector. The World Bank and the British Department for International Development (DFID) are working together with the Government to develop the proposed project, and DFID is providing parallel financing. Other donors (European Union-EU, Caribbean Development Bank-CDB, Republic of China, OERU, Canadian International Development Agency-CIDA) are also offering substantial funding (around US\$56 million). However, the involvement of multiple donors has placed considerable administrative burden on the weak institutional and planning capacity of the MEYS. The Bank and DFID have played an instrumental role in bringing donors together for a harmonized approach to external financing of the education sector to ensure compatibility of actions to improve education. The Bank is also supporting the establishment of an Education Project Management Unit (EPMU) to oversee all externally financed education projects. In this way, the MEYS will be better able to coordinate the various project inputs and monitor progress in achieving the goals of the ESDP.

### **3. Higher level objectives to which the project contributes**

The OECS countries aim to achieve greater synergy in regional approaches to education sector issues. The project supports key elements of the GOSVG's sector plan to bring them in line with neighboring states, and is doing this in a coordinated fashion with the other main donors in the region, including CDB, EU and CIDA. The activities proposed under this program are supported by current initiatives from several regional institutions: (a) the OERU's work on curriculum harmonization; (b) the Caribbean Examination Council's (CXC) work on evaluation and standards and (c) the UNESCO regional office's initiative on education statistics. In addition, the project is in line with Bank and regional policies as follows:

The OECS Country Assistance Strategy (CAS) cites two crucial policy issues: (i) economic and social vulnerability and (ii) limited institutional capacity. To relieve economic and social vulnerability, the Bank and other development agencies are supporting an economic diversification process to move from agriculturally-based economies to service industries and tourism, while building institutional capacity and protecting the environment. This requires investments in training of human resources. The quality of human capital is a critical factor for better integration in a world economy dominated by knowledge-based industries. Education, especially at the secondary level, remains a strong priority for the OECS Governments to ensure that students learn the basic skills necessary to enter into the labor force. Due to the special development challenges that these small states face, the Bank has adopted a sub-regional approach to mitigate the limitations imposed by their small size.

Caribbean Education Strategy Report No. 20452-LAC, June 2000: The proposed project is in line with the report's five key recommendations which were endorsed by the region's Ministers of Education and are intended to develop an internationally competitive labor force and equitable and effective education systems: (i) narrow the knowledge gap; (ii) make the school and classroom the central focus of the education system; (iii) reduce inequities in the school system; (iv) strengthen regional collaboration; and (v) enhance educational financing and management.

Small States: Meeting Challenges in the Global Economy - Report of the Commonwealth Secretariat/ World Bank Joint Task Force on Small States, April 2000: This report states that "improving small states' human capital is the most important vehicle for a rapid transition and more equal income distribution." A better-educated population will be more productive and will use limited resources more efficiently. The OECS countries are rapidly shifting to service industries, where human capital is a critical factor. Improvements in the quantity and quality of education, with emphasis on strong literacy and numeracy skills, are essential to upgrade the work force and ensure labor productivity. The Report states that it is important for small states to build a knowledge base and share experiences. Regional cooperation can also help to develop capacity. Finally, improved donor coordination is important to the development of small states. Alignment of donor objectives reduces the administrative and financial burden on the countries. As noted above, the Bank is promoting all of these measures.

The OECS Education Reform Strategy: Pillars for Partnership and Progress 2010: This sub-regional document proposes to reform secondary education along the following lines: (i) provide universal education for all children up to 16 years of age, guarantee five years of secondary education to students meeting the entry criteria and certify achievement at the end of primary and secondary; (ii) establish a common curriculum in the first three years of secondary to reinforce general education and allow some degree of specialization in the last two years; (iii) improve quality through comprehensive training for school principals and teachers, encouraging the use of creative and performing arts and information and communication technology in teaching; and (iv) strengthen the delivery of support services such as guidance and counseling, social welfare and library and learning resources. The project supports all these initiatives.

## **B. PROJECT DESCRIPTION**

### **1. Lending instrument**

In this "horizontal" APL, phased support is provided for a long-term development program. The term horizontal implies that the instrument is being applied sequentially across countries in the sub-region to allow them to join the program when they are ready. The countries implement their projects simultaneously and mechanisms are evolving for sharing experiences among them.

### **2. Program objective and Phases**

The overall objective of the horizontal APL program is to build human capital in the OECS which, in turn, will contribute to the diversification of their economy and more sustainable growth. The program supports the education development of St. Vincent and the Grenadines, Dominica, Grenada, St. Lucia, and St. Kitts and Nevis. Each country joins the program as it meets the following established criteria for participation:

- Adoption by their Government of a long-term Education Development Plan;
- Readiness of a project proposal to improve quality and access to secondary education;

- Establishment of a Project Management Unit whose composition is satisfactory to the Bank;
- Credit worthiness indicators (net international reserves, debt to GDP and debt service to exports of goods and non factor services) that remain within reasonable ranges and
- Counterpart funding availability for the project.

### **3. Project development objective and key indicators**

The project objectives will be achieved by: (i) increasing equitable access to secondary education; (ii) improving the quality of the teaching and learning process, with more direct interventions and provision of resources at the school level, a focus on student-centered learning and mechanisms to provide student support; and (iii) strengthening management of the sector and governance of schools. The performance indicators in the table below will be used to measure progress in meeting the established development objectives.

### **4. Project components**

The project description has been developed by the stakeholder working groups and presented by the GOSVG. The proposed project content is founded in the ESDP and takes into consideration the areas covered by other donor funding (*see Table in Annex 2*).

Component 1. Increase equitable access (US\$5.2 million). Absolute enrolment in secondary has experienced a yearly increase of 1.3% between 1993 and 2003. It should continue to grow markedly to the year 2010, experiencing a peak between 2005 and 2007. There is a long-term need for at least 1,800 additional places in secondary to achieve universal coverage within the next three to five years. Based on results from a recent school mapping exercise and building analysis, the project will support:

- 1.1. the construction of a new school in Belair, in the largest census district of Calliaqua, and
- 1.2. the rehabilitation of four secondary schools.

Component 2. Improve quality (US\$2.7 million).

*2.1 Upgrading of teacher skills and standards.* This subcomponent aims to improve the quality of teaching and learning. A teacher appraisal system is currently being developed. It will be instrumental for evaluation and continuous assessment of teacher performance and will guide the activities for this subcomponent. The following activities will be financed: (i) a needs assessment of teaching skills; (ii) the development and implementation of a screening system for new entrants to the teaching force and a review of the teaching career path; (iii) the provision of in-service pedagogical training for certification of uncertified graduate and non-graduate teachers; and (iv) the establishment of professional development grants and a Master Teacher program for exemplary teachers.

*2.2 Curriculum development for Forms I to III.* This will support ongoing efforts in SVG to review and update the secondary curriculum, in line with the ESDP, and will complement ongoing work by the OERU for the sub-region. This sub-component aims to: (i) develop a national curriculum policy; (ii) complete the national assessment policy (done for the primary level but not for secondary); (iii) develop curriculum guides for the first three years of secondary education in key subject areas, including geography, history, creative and performing arts, and modern languages; and (iv) establish a National Curriculum Advisory Committee.

Project Development Objectives	Outcome/Impact Indicators				
	St. Vincent & the Grenadines	St. Lucia	St Kitts & Nevis	Grenada	Dominica
<i>Increase equitable access to secondary education</i>					
Transition rate to secondary education increases	[in proportion to Grade 6 students] from 73% in 2002/03 to 95% by 2007/08	from 69% in 2000/01 to 82% by 2006/07	(no need for an indicator here, since it reaches 100%)	[in proportion to Grade 6 students] from 80% in 2001/02 to 93% by 2006/07 and  [in proportion to students sitting the Common Entrance Exam] from 55% in 2001/02 to 75% by 2006/07	from 83% in 199/00 to xx% by....
Net enrollment rate in secondary education increases	from 60% in 2002/03 to 70% by 2007/08	from 64% in 2000/01 to 77% by 2006/07	from 90% in 2000/01 to 96% by 2006/07	from 70% in 2001/02 to 85% by 2006/07	from 73% in 1999/00 to xx% by...
<i>Improve the quality</i>					
Gross completion rate in Form V increases	from 49% in 2002/2003 to 65% by 2007/08	from 72% in 2000/01 to 85% by 2006/07	from 70% in 2000/01 to 85% by 2006/07	from 82% in 2001/02 to 105% by 2006/07	from 56% in 1999/00 to xx% by...
Proportion of students passing at least 5 CXC, including Math and English, increases	from 37% in 2000/01 to 48% by 2007/08	from 27% in 2000 to 37% by 2006/07	from 26% in 2000 to 36% by 2006/07	from 13% in 2000 to 25% by 2006/07 (a)	from 52% in 2000 to xx% by ...
<i>Improve management and efficiency of the education system</i>					
Proportion of non-salary recurrent expenditure out of total recurrent expenditure increases	from 10% in 2002 to 14% by 2007/08	from 13% in 2000 to 16% by 2006/07	from 5% in 2000 to 9% by 2006/07...	from 13% in 2001 to 15% by 2006/07	from 5% in 2000 to xx% by...
Pupil-teacher ratio increases	from 18 in 2003 to 21 by 2007/08	from 19 in 2000/01 to 20 by 2006/07	from 12.6 in 2000/01 to 15 by 2006/07	from 23 in 2001 to 24 by 2006/07	from 17 in 1999/00 to xx by....
<i>Improve equity</i>					
Specific to each country	Difference in CXC rate between top five and lowest five performing schools (% of general pass rate) decreases from 35% in 2003 to 28% in 2007/08	- Gross enrollment rates in the new schools' catchment areas increase from 35% to 60% in Gros Islet and 0% to 70% in Anse La Raye between 2000/01 and 2006/07. - Ratio between the proportion of graduate teachers in the poorest and richest 20% schools increases from 55% in 2000 to 85% by 2006/07	Average proportion of Form V students passing at least 5 CXC exams in each of the seven catchment areas of the new Saddlers school increases by 15-20% by 2006/07	Transition rates to secondary education based on students sitting the CEE in the 3 underserved parishes of St. Andrew, St. David and St. George increase from 51% in 2002 to 59% in 2006/7	

Notes: Data for Dominica and St Vincent and the Grenadines will be confirmed when the countries join the program.

(a) At least 4 CXC including English and math.

*2.3 Literacy enrichment and support.* The project will improve students' literacy levels through: (i) specialized literacy training for ten teachers in diagnosis, concepts and methodology; (ii) establishment of a resource center for teachers and literacy, curriculum and education officers; (iii) establishment or upgrading of library information centers in seven rural secondary schools and classroom libraries in nine low-performing primary schools; and (iv) training of secondary school library assistants.

*2.4 Improved student support services.* This will include: (i) specialized training for 20 guidance officers (ii) training and resource materials to enable 60 students to function as peer counselors and mentors; (iii) training and resource materials for 360 parents to help them provide necessary support to their children; (iv) student-led extra-curricular activities, targeting boys especially; and (v) training of 60 teachers to provide enrichment support to low-performing students. These activities complement an EU-funded proposal for training of special education specialists and targeted academic support for male students.

Component 3. Strengthen management and governance (US\$1.2 million). At this stage, the Government has identified need for technical assistance to: (i) train school principals, parents and teachers to design and carry out school development plans (school principals and school boards will receive additional management and leadership training under an EU-financed project which will follow up on the training provided under this project); (ii) develop an appropriate legal and regulatory framework for the operations of the MEYS, establishing the foundation for adequate governance and management of the education system; and (iii) provide policy and monitoring support to the MEYS, to be determined once a CDB-funded management audit has been completed. Funds will also be available to promote regional knowledge sharing, including travel to neighboring countries for workshops and World Bank/DFID missions.

Component 4. Project Management (US\$0.5 million). The project aims to improve coordination of donor-financed activities through establishment of an Education Project Management Unit (EPMU) and benefit from and strengthen an existing Project Coordination Unit (PCU). The project will provide: (i) partial staffing costs for the EPMU and PCU; (ii) furniture, equipment and a vehicle for the EPMU and PCU; and (iii) training for EPMU and PCU personnel in key management areas.

## **5. Lessons learned and reflected in the project design**

*Donor co-ordination with single-source funding:* Excessively complex projects with multi-countries, multi-donors and multi-source funding have proven difficult to implement. The aim of this program is to improve donor coordination, stimulate donor investments and reduce transaction costs but avoid the complexity of a co-financed loan. The Bank is engaged in dialogue and coordination of actions with major donors in the planning of sector investments and project designs across the OECS and specifically in SVG, as described above in section A.2.

*Community participation in design and participation of projects:* All the countries have noted the importance of involving stakeholders in the development of sector plans and have adopted a highly participatory process to establish their national long-range education plans. Stakeholder working groups in Grenada and St. Kitts and Nevis (SKN) contributed to tailor the design and have provided a source of quality control of project outputs. The participation of these groups

from the onset has facilitated project implementation, promoted ownership of project activities and gained support for project interventions. Conversely, in St. Lucia, less stakeholder participation and more Ministry control has slowed implementation. In SVG, limited stakeholder participation has slowed implementation of other donor-funded projects, among other factors. To mitigate these problems, the Bank has assisted the MEYS in establishing stakeholder working groups like those in Grenada and SKN.

*School improvement projects and student-led extracurricular activities:* The Bank has found, in countries across the region, that school improvement projects and student-led extracurricular activities have proved to be one of the most effective agents of change in schools. In Chile, Uruguay and Paraguay, school-based education improvement projects have successfully involved students, teachers, parents and community leaders in the quest for improved education responsive to local needs and have increased educational leadership among teachers and principals, improved communication between the school and the community and enhanced teaching practices. Extra-curricular activities have allowed students more expression in determining the activities that are interesting and meaningful to them, within the safe structure of the school community. This project will incorporate these same types of innovative activities to improve the school environment and address existing problems with youth at risk.

## **6. Alternatives considered and reasons for rejection**

*Sub-regional approach vs. single-country loans:* The decision to include several countries under one program was made for two reasons. First, the OECS countries are gaining from a more integrated approach, since the limited resources available to each island are insufficient to tackle similar issues individually. Several regional initiatives have been established already, including common CXC exams for secondary education graduates and an evaluation process that uses similar benchmarks; teacher training via distance learning; and a regional curriculum reform effort. The proposed project is building on these regional agreements. The Bank is providing technical assistance to the OERU to establish the Education Knowledge Management Network to foster regional collaboration in the design and execution of the program. Secondly, the transaction costs for preparation, monitoring and evaluation of the project have been reduced under a multi-country approach.

*Focus on secondary education vs. whole-sector reform initiatives:* Although some of the activities will cut across levels, such as institutional strengthening and training, the proposed project will focus mainly on secondary education in line with the GOSVG's top priority to achieve universal secondary education enrollment. Furthermore, the CDB has provided the GOSVG with funds for improvements at the primary level through Basic Education Projects (BEP I and the upcoming BEP II), and the EU also is funding activities at the primary level. The proposed project attempts to make quality secondary education available to the increasing demand, and compliments other donor-funded activities.

## **C. IMPLEMENTATION**

### **1. Partnership arrangements**

The Bank has sought collaboration with DFID, CDB, EU, CIDA and the OERU to maximize sector funding and avoid duplication of efforts, and the Bank and DFID are collaborating on the design and monitoring of this APL program. DFID has been a partner in all the preparation and

supervision missions for the three phases of the APL and is financially supporting the GOSVG's preparation team. The Bank, DFID, CDB and EU have agreed with the GOSVG on the arrangements for the Education Project Management Unit (EPMU) responsible for managing all externally-financed projects.

## **2. Institutional and implementation arrangements**

During project preparation, an Institutional Capacity Analysis was carried out to assess the current capacity and existing institutional arrangements of the MEYS, the proposed implementation arrangements and the goals of the ESDP and strategic direction of education. Main findings of this assessment are included in Annexes 6 and 15.

The proposed project will be implemented by the MEYS with administrative assistance from the EPMU which has been established under the auspices of the MFPD to manage all the donor-funded education projects. This decision was made to facilitate MEYS's management of multiple education projects financed by several donors. Studies carried out in preparation for the ESDP had shown weaknesses in the MEYS's institutional capacity to manage so many projects, and highlighted the need for better coordination and planning. The Education Planning Unit (EPU) was responsible for managing several of the projects. The proposed arrangement will allow the EPU to focus exclusively on monitoring, evaluation and long-range planning. The EPMU will be positioned in a viable working relationship between the Ministries of Education and Finance (*see diagram in Annex 6*), whereby the EPMU will be accountable to the MFPD, but also will report to the MEYS Directorate. The EPMU will handle the administrative and technical aspects of the project, while an existing PCU in the MFPD, currently managing several World Bank-funded projects, will handle the fiduciary aspects of this project. An Education Project Steering Committee (EPSC) comprised of the EPMU Project Coordinator, Project Managers, MEYS officials, the Education Planning Officer, representatives of the stakeholder working groups and other key stakeholders will serve to further link the different units and the two ministries and ensure proper information sharing.

## **3. Monitoring and evaluation of outcomes/results**

The project sets clear benchmarks for results. The GOSVG will be strengthening the EMIS system to improve data generation and monitoring and evaluation capabilities of the MEYS. Key to this is the shift in responsibilities of the Education Planning Unit (EPU). As the EPMU assumes responsibility for managing projects, the EPU will focus on tracking process, output and outcome indicators, which will strengthen the system's capacity for self-assessment. The EPU is already engaged in the development of indicators that would provide an objective basis for monitoring. Improved school supervision by the Education Officers will contribute to better monitoring and assessment of achievements at the school level. Training also will be provided to school principals on management and preparation of School Development Plans, which will require compilation and use of school and sector data.

## **4. Sustainability**

The following factors will contribute to the sustainability of project activities: (a) strong political support and leadership from the GOSVG for achievement of the Education Sector Development Plan (ESDP) goals, and the formation of the Education Project Steering Committee (EPSC) and strengthening of the Education Planning Unit (EPU) to monitor the externally financed education

projects and their individual and collective contributions to the ESDP; (b) increased stakeholder participation through the working groups, who ensured that relevant issues and viable solutions were incorporated into the project design and who have laid the ground for strong support during project implementation, and through various components of the project; (c) an updated legal and regulatory framework and national curriculum and assessment policies that will establish new standards for and enable improved sector implementation; (d) financial sustainability garnered from savings in the form of a reduction in repetition rates and an increased pupil/ teacher ratio which would be more than sufficient to sustain the proposed project activities beyond the life of the project (*see Annex 9*); and (e) the commitment of the Government to provide financing for activities to support at-risk and gifted students for up to five years following project closing.

### 5. Critical risks and possible controversial aspects

This is a high risk project and will require intense supervision. During preparation, efforts have been made to mitigate the risks that could potentially affect project preparation and implementation. The creation of stakeholder working groups and the appointment of a project coordinator have demonstrated the GOSVG's will to move forward with successful project preparation. The GOSVG has also prepared a policy letter and an action plan to endorse the project activities and demonstrate the relationships between the proposed project, the ESDP and other donor-funded projects. Nevertheless, there are still factors that may slow project implementation. The country's institutional dynamics make the decision process extremely cumbersome, and there is a real possibility of gridlock if key decision makers and implementers are not actively involved and supportive throughout project implementation.

Risk	Risk Rating	Risk Mitigation Measure
<b>FROM OUTPUT TO OBJECTIVE</b>		
Lack of continuous commitment from the Government to maintain and strengthen the implementation arrangements proposed.	S	The Government has approved in writing the creation of the EPMU within the MFPD, with an institutional tie to the MEYS. A Project Coordinator has been appointed, and the MEYS and the MFPD agree to and support this arrangement.
Low level of involvement by MEYS decision makers in project implementation (common for externally financed projects, resulting in weak ownership)	S	The Bank encouraged the creation of stakeholder working groups to design the project, who will be represented on the Education Project Steering Committee, thus offering consistent support and increasing stakeholder ownership of the project. The task team is also making efforts to better involve and support high level MEYS officials.
Complex issues in secondary education: curriculum reform is a long-term proposition; quality improvements based on curriculum changes and teaching methods tied to curriculum reform may take longer than the duration of the project	M	The project encourages a regional approach to these issues to gain support from other donors and consensus on content and timing. Regional collaboration and political will to make the changes would reduce the risk.
Concentration of GOSVG efforts on increasing access without consideration for quality aspects of teaching and learning	S	The project supports SVG's efforts to alleviate the shortage of secondary school places, but also emphasizes key interventions to improve the quality and management of the sector.

<b>FROM COMPONENTS TO OUTPUTS</b>		
Potential delays in project implementation due to timing and sequencing of other donor inputs.	N	Efforts have been made to coordinate with the donors and the GOSVG on timing and sequencing. Additionally, the project design does not depend on other donor inputs for successful implementation.
Inadequate MEYS staffing and capacity to manage multiple externally funded education projects and ensure quality delivery of project activities.	H	The EPMU will handle the administrative management aspects, allowing the MEYS to focus on education improvement actions. Substantial technical assistance will be provided through the Bank, DFID, CDB and EU to strengthen MEYS capacity.
Internal focus of the project on schools and youth in school with little control over external factors.	M	The MEYS is making some connections between the school and other social services, and the project will involve the wider school community. Guidance counselors trained under the project will provide support to students at risk and help to bridge the school-home gap.
Potential problems in maintaining new and rehabilitated school infrastructure and equipment	M	The Bank will encourage the development and implementation of a maintenance plan and transfer of funds to schools for preventive maintenance.
<b>OVERALL RISK RATING</b>	<b>S</b>	

## **6. Loan/credit conditions and covenants**

The conditions for project effectiveness include the following: (i) appointment of independent auditors; (ii) opening of the Special Account; (iii) opening of the Project Account with the deposit therein of an initial amount to cover at least the first year of implementation; (iv) approval of the final FM procedures (part of the Operational Manual); (v) approval of the Operational Manual and procurement plan and (vi) confirmation of a fully staffed PCU and EPMU.

## **D. APPRAISAL SUMMARY**

### **1. Economic and financial analyses (see Annex 9)**

Cost-benefit: US\$18.0 million NPV: 34 percent

Education is fundamental to a human being's productivity and economic value and contributes to the wealth of a nation. This project proposes to exploit the high returns to education in St. Vincent and the Grenadines by (i) investing in the young people that thus far have been prevented from reaping this return due to capacity constraints (target: increase enrolment by 750 pupils in component 1); (ii) improving learning among all pupils to enhance learning and future productivity, thereby increasing the average earnings for secondary school graduates (targets: train 80 teachers, provide other quality-enhancing activities and reduce repetition from 10% to 7% in component 2); (iii) strengthening management of the education system leading to higher efficiency in the execution of the education budget (target: increase the pupil teacher ratio from 18 to 21 in component 3). These targets are conservatively set and in conjunction with Government goals. They can realistically be reached within the timeframe of the project.

The economic analysis quantifies the benefits of each component over a 20-year time horizon and subsequently compares them with the overall costs. The main finding is that the project is economically sound, since it will cost US\$13.4 million (US\$9.5 million in investment costs and US\$3.9 million in recurrent costs) over the analyzed 20-year horizon and bring benefits valued to US\$18.0 million. This corresponds to a return of 34 percent.

The fiscal sustainability analysis shows that the Ministry of Education's budget can shoulder the extra investments entailed in the project. In the past, the GOSVG has placed a high priority on investments in education. From 1999 to 2002, the Government spent on average 7.2% of GDP on education. Total expenditures in education in 2002 were US\$29.2 million (US\$20.1 in recurrent expenditures and US\$9.1 million in capital expenditures). Capital expenditures include a considerable inflow of resources from donors (typically around 60%, as was the case in 2000). The government's counterpart funding for the project will on average be US\$800,000 per year, which corresponds to 3.4% of the MEYS's yearly budget or around 25% of the Ministry's capital budget. In sum, the project requires that an important, but reasonable, share of the Ministry's budget will be devoted to the project. Since the project enjoys strong political support, it is firmly expected that the required budget will be allocated to the project. Given the already high share of the Government's budget devoted to education, it is important from a sustainability point of view that the project increase the sector's efficiency. This is sought through two means: (i) increased number of pupils per teacher (planned to increase from 18 to 21) which would entail a yearly savings of US\$1.1 million; and (ii) reduction in repetition from 10% to 7%, which would yield savings of approximately US\$200,000 per year. These savings would be more than sufficient to sustain the proposed project activities beyond the life of the project. Realization of the efficiency targets are hence critical for the financial sustainability of the project.

## **2. Technical**

The project is addressing two major issues that prevail across the OECS: (a) a knowledge gap between the subject matter being taught and the knowledge and skills required for the OECS countries to be competitive and to diversify; and (b) a disconnect between the school culture and youth culture, where school is not attractive to youth and does not effectively address their problems. The school environment is not conducive to change due to traditional teaching and a rigid curriculum and examinations structure. The project proposes investments to strengthen sector management, improve the quality and relevance of school inputs and attempt to change the school culture. The project design will address these in different ways:

- Updating of the 1992 Education Act will provide an appropriate legal and regulatory framework for the operations of the MEYS, establishing the foundation for adequate governance and management of the education system.
- Greater responsibility of the EPU in monitoring and evaluation will strengthen the sector's capacity for self-evaluation and guide policy changes.
- Actions will be developed to better monitor and assess teacher performance. This is key to establishing and maintaining teaching standards.
- Teachers will receive training in enhancing literacy skills and in more student-centred approaches to shift away from traditional frontal teaching modes.
- Student-run extra-curricular activities will be designed and implemented by and for the youth, giving them a voice in an otherwise hierarchical system.

- Regional curriculum reform and the evaluation of examinations and secondary education certification will be addressed by CXC and OERU in conjunction with the project, as SVG and the other OECS countries explore ways to apply the new common core curriculum in their schools. SVG will establish national curriculum and assessment policies in line with the regional reforms to guide this process.

### 3. Fiduciary

An existing PCU currently located in the MFPD, which has experience in providing procurement and financial management support to World Bank financed projects, will be responsible for fiduciary activities of the project and will have overall financial and accounting responsibilities for the project.

**Financial management.** Financial management responsibilities will include: (i) maintenance of accounting records, (ii) processing disbursements, (iii) preparation of project financial statements in accordance with Bank guidelines, (iv) management of bank accounts and financial information systems, (v) preparation and submission of quarterly financial management reports, (vi) preparation and submission of withdrawal applications, (vii) coordination with auditors during the annual financial audits and (viii) adoption of remedial financial management actions as necessary during project implementation. The PCU's core staff, which includes the PCU Coordinator, the Financial Management and Accounting Specialist and the Procurement Specialist, is already in place and will be supplemented by additional staff. Loan/Credit funds will be disbursed to a unique Special Account (SA) maintained in a commercial bank acceptable to the Bank. Since accounting will be centralized at the PCU, no additional Special Account for Loan/Credit funds will be necessary and all financial transactions will flow directly from the PCU's Special Account. The PCU will execute all payment orders on behalf of the project for specifically approved activities in their annual work plans. The initial disbursement into the Special Account will be an advance, and subsequent requests for replenishment of the SA will be based on the monthly submission of Statement of Expenditures (SOEs).

**Procurement.** A procurement capacity assessment was carried out of the proposed organization and staffing of the PCU/EPMU, as well as of the country's legal framework. The Government intends to update the 1970's national procurement regulations attached to the new Financial Act. Such regulations should determine the new thresholds for review by the Central Tenders Board (CTB) as well as the CTB powers and procedures mandated by the law. The Bank has offered to provide assistance in drafting the new regulations in accordance with internationally recognized standards. The national practices and bidding documents also should be improved to allow for increased efficiency and economy. The country has acquired increased experience working with International Financing Institutions [EU, DFID, WB, CDB and other donors] over the last ten years. The risk assessment of procurement implementation for this project is considered "Average." The PCU (currently in the MFPD, where the Chairman of the CTB is also based) has demonstrated satisfactory performance. The selection of qualified EPMU staff, together with a qualified procurement specialist and procurement officer/assistant in the PCU, should guarantee good project implementation. The Bank will provide ongoing support as well. An action plan has been agreed to that outlines the activities to be completed by effectiveness (*see Annex 8, section 8.10 for the detailed list*).

#### 4. Social

A social assessment was carried out in Dominica, St. Kitts and Nevis and St. Lucia for the preparation of the first phase of the APL. Similar social issues for the OECS region were identified in the Bank's study on "Youth Development in the Caribbean" for the CGCED (June 2002). Lessons were drawn from these studies for the preparation of this project: (i) Many students, especially in rural schools, have poor literacy and numeracy skills. Teachers have not been trained to teach these specific skills, nor to detect learning difficulties. When detected, teachers do not know how to address them. Training will be offered in these areas. (ii) The curriculum is irrelevant to students, and teachers do not know how to motivate or support them. Curriculum reform is envisaged, and guidance officers and peer counselors will be trained and will work in each school to offer emotional and academic support to students and provide schools with a better understanding of students' needs and desires. Specific strategies will be developed in SVG to improve boys' performance. (iii) Schools are very hierarchical, and students are not active in school life. Student-led activities will respond to student interests and involve students more in the school community.

#### 5. Environment

Environmental Category: B

The project will include construction of one new school. The school mapping exercise has indicated the need for 1,800 new places and the optimal location of the new school. A school building analysis has indicated four other schools that require minor upgrading, along with the rehabilitation of a resource center. The Environmental Assessment (EA) was carried out for the school site and was approved by the Bank and publicly disclosed. The LAC Environmental Guidelines for Education Projects were used for the EA. They also will be used for monitoring and will be distributed to potential contractors during the bidding process to monitor Environment and Cultural Property issues. There are no resettlement issues with the selected school site (*see Annex 4, 1.1. for further details on the school site*). There is no expectation that Cultural Property, as defined by OPN 11.03, will be encountered during construction. Nevertheless, the EA includes "chance finding" provisions if any such property is encountered.

#### 6. Safeguard policies

<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
<u>Environmental Assessment (OP/BP/GP 4.01)</u>	[ x ]	[ ]
Natural Habitats ( <u>OP/BP 4.04</u> )	[ ]	[ x ]
Pest Management ( <u>OP 4.09</u> )	[ ]	[ x ]
Cultural Property ( <u>OPN 11.03</u> , being revised as OP 4.11)	[ x ]	[ ]
Involuntary Resettlement ( <u>OP/BP 4.12</u> )	[ ]	[ x ]
Indigenous Peoples ( <u>OD 4.20</u> , being revised as OP 4.10)	[ ]	[ x ]
Forests ( <u>OP/BP 4.36</u> )	[ ]	[ x ]
Safety of Dams ( <u>OP/BP 4.37</u> )	[ ]	[ x ]
Projects in Disputed Areas ( <u>OP/BP/GP 7.60</u> )*	[ ]	[ x ]
Projects on International Waterways ( <u>OP/BP/GP 7.50</u> )	[ ]	[ x ]

#### 7. Policy Exceptions and Readiness

There are no policy exceptions.

\* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

## Annex 1: Country and Sector Background

### St. Vincent and the Grenadines: OECS Education Development Project

**The Program.** One of the key goals of the OECS countries is to achieve greater synergy in regional approaches to education sector issues. The overall objective of the horizontal APL program is to build human capital in the OECS which, in turn, will contribute to the diversification of their economy and more sustainable growth. This will be achieved by strengthening the education sector in the following ways: (i) increasing equitable access to secondary education; (ii) improving the quality of the teaching and learning process, with more direct interventions and provision of resources at the school level, a focus on student-centered learning and mechanisms to provide student support, and (iii) strengthening management of the sector and governance of schools.

**Country and Sector Background.** The project supports key elements of the Government of St. Vincent and the Grenadines (GOSVG) sector plan to bring them to the level of the neighboring OECS states (*see regional comparative data in Table 3 below*). The country's Education Sector Development Plan (ESDP) has set the main policy directions, targets and strategies for the period 2002-2007. The ESDP is the outcome of extensive discussions and consultations with a wide range of stakeholders throughout SVG, including principals, teachers, parents, government officers, NGOs and members of industry and commerce.

The plan acknowledges that schools, institutions and teachers should be the main change-agents. More training and better learning resources within the school will be provided to enable the changes. The ESDP supports the idea of promoting a change in culture in the schools and their communities and has delegated decision making and financial management to school and college Boards of Management and to their principals. The ESDP also aims to move the sector towards more student-centered teaching and learning.

The 1937 Education Ordinances of St. Vincent provide the legal framework for the principal laws related to the delivery of educational services. The revised Education Act (1992) is the main legal document governing the country's education sector. There are no accompanying regulations that are currently in place to support the new aims of the ESDP.

#### Basic description of the education system.

The sector includes five main cycles: pre-primary, primary, senior primary, secondary and post-secondary. Table 1 describes each cycle by its length, expected age, enrolment, and exit exam. In addition to these cycles, the Vincentian skill building system consists of vocationally oriented Multi-Purpose centers, adult and continuing education courses, a school for children with special needs, and overseas post-secondary programs.

Table 1 Primer in the SVG Education System

Cycle	Early Childhood	Primary							Exam	Secondary					Exam	Post-secondary
Expected Age	2-4	5	6	7	8	9	10	11	CEE	12	13	14	15	16	CXC	17-24
Grade	-	K	G1	G2	G3	G4	G5	G6		F1	F2	F3	F4	F5		690
Enrolment	3,100	2,389	2,291	2,588	2,539	2,695	2,584	2,568		1,802	1,703	1,588	1,504	1,276		

Abbreviations: K: Kindergarten; G: Grade; F: Form; CEE: Common Entrance Examinations  
 SLE: School Leaving Examination; CXC: Caribbean Examination Council  
 Note: Enrolment in early childhood 2001; secondary and post-secondary 2002, while for primary 2003.  
 Source: Directory of Schools and Colleges 2001/2002 and ditto 2002/2003, Gill (2003) and World Bank (2003) "Monitoring Educational Performance in the Caribbean".

All Age/ Senior Primary		Exam
G7	G8	SLC
920	705	

Provision of education. Provision of education is diverse, including public, public-funded and religiously run (public-assisted), and private institutions. Table 2 shows enrollment by cycle and institution and clearly indicates that the Government is the main provider of education.

Table 2. The Government is the Main Financier (Funding of Institutions)

Cycle	Number of Institutions			% of Enrolment		
	Public	Publicly Assisted	Private	Public	Publicly Assisted	Private
<b>Early Childhood</b>	0	0	125	0	0	100.0
<b>Primary</b>	60	0	6	95.6	0	4.4
<b>Secondary</b>	13	8	0	61.3	28.7	0
<b>Post-secondary</b>	1	0	0	100.0	0	0

Source: Directory of Schools and Colleges 2001/2002.

Access to the full five-year cycle of secondary education is governed by the Common Entrance Examination (CEE). The demand for places in secondary education is far greater than supply. However, many of those seeking secondary admission do not have the competencies required to fully benefit from secondary level education, as evidenced by the 45% pass rate on the CEE in 2003.

The Ministry of Education, Youth and Sports (MEYS) is responsible for policy formulation and overall management of the schools. Schools have little autonomy in decision-making regarding human and material resources. However, the 1992 Education Act makes a provision for the Education Advisory Board to advise the MEYS on policy and direction of the educational services. There are active sector unions and associations as well (SVG Teachers Union, Public Service Union, Primary Principals' Association, Association of Principals of Secondary Schools).

Recent policy trends: From 1984 to 1995, emphasis was set on reduction of illiteracy and expansion of educational opportunities. The second phase, starting in 1995, centered on expansion of access to educational opportunities and improving the quality of education. The Regional strategy provides a framework for a coordinated approach to the reform of the educational system in educational assessment, curriculum, evaluation methods, training, and other common areas.

**Main sector issues.** Education indicators show SVG as the weakest performer among the OECS countries (“*Monitoring Educational Performance in the Caribbean*”, E. Di Gropello, April 2003): (i) a smaller share of children attend early childhood education; (ii) around 15% of a cohort leave school without a diploma; (iii) 45 percent continued to general secondary education in 2001 (has increased to 70% with construction of annexes in 2003); and (iv) 5% enter post-secondary education. SVG sector issues are similar to those in the OECS region, though more accentuated.

Table 3: Comparative regional education data

	Education Expenditure /GDP	Net enrollment rate in primary education	Repetition rate in primary education	Transition rate from primary to secondary education	Net enrollment rate in secondary education	Gross completion rate (Form 5)	Repetition rate in secondary education	Proportion of students passing at least 5 subjects at the CXC (b)
St. Lucia	7.14% (2001)	98% (2000)	3.1% (2003)	66% (2003)	76% (2003)	72% (2000)	0.2% (2003)	40.6% (2002) (c)
Dominica	7.1% (2002)	90% (2002)	5.0% (2002)	83% (1999)	73% (2000)	56% (2000)	12% (2002)	59% (2000)
St. Kitts and Nevis	7.5% (a) (2002)	98% (2000)	3.0% (2000)	100% (2000)	90% (2000)	70% (2000)	5.2% (2000)	26% (2000) (c)
Grenada	6.8% (2002)	99% (2000)	6.4% (2003)	78% (2001)	62% (2000)	72% (2000)	1.3% (2001)	12.3% (2001) (d)
St. Vincent and the Grenadines	9.9% (2002)	95% (2003)	9.9% (2002)	73% (2002)	63% (2003)	70% (2003)	10.5% (2002)	37% (2001)

**Sources:** World Bank. *Monitoring Educational Performance in the Caribbean* (Report No. 24337). Washington, DC. 2003; UNESCO, *EFA 2000 Country Assessment Reports, CGCED* (2000); St. Lucia -Ministry of Education (2003); Dominica-Ministry of Education (2002); St. Kitts and Nevis-Ministry of Education (2002); Grenada-Ministry of Education (2003) and St. Vincent and the Grenadines-Ministry of Education (2003).

**Notes:** (a) Education Expenditure/GNP; (b) Students passing a minimum of 5 general/technical subjects as a proportion of the students sitting the CXC; (c) Students passing a minimum of 5 general/technical subjects, including Math and English, as a proportion of the students sitting the CXC; (d) students passing 4 CXC including English and Math.

**Low enrollment in early childhood education.** Estimates suggest that six out of ten children ages 3 to 4 years old attend. A survey in 2001 of 114 of the then 115 early childhood centers indicated a total enrolment of 3,100 children up to the age of five. This represents a gradual increase in number of providers, absolute enrolment and net enrolment from 1993, where there were 90 centers catering for 2,880 toddlers (an approximate net enrolment rate of 50 percent).<sup>1</sup> The centers are operated by private individuals (54 percent), churches (31 percent), community groups (8 percent) and NGOs (7 percent). Fees range from EC\$30 per month to EC\$260 per

<sup>1</sup> The net enrolment rates for three and four year olds are rough estimates. For 2001, the estimate is the number of children in the age of three and four reported by centers (74 percent of centers), which is extrapolated to all centers and divided by twice the size of the 5 years old enrolled in primary education 2002. For 1993, the estimate assumes a similar age-distribution as in 2001 and divides by the average cohort size of children born between 1985 and 1990.

month, a level that limits enrolment of children from low-income families. As is the case for education in general, SVG under-performs in early childhood development compared to other OECS states. Net enrolment in Dominica, St. Kitts and Nevis and Grenada is estimated to be 80%, 70% and 63% respectively. Expanding provision of early childhood development would be a major step in the country's education agenda.

Poor performance in primary education. The education system has a high gross enrolment rate in primary, 111%, which signals a prevalence of over-aged pupils clogging the system due to a high repetition rate (10%). Although SVG has achieved nearly universal enrollment in primary, completion rates for primary are the lowest among the OECS countries (only 84% of a cohort completes primary education). Completion appears to be similar in boys and girls though boys have a higher tendency to repeat. The low performance of boys is an expensive and persistent problem in the Vincentian education system. Lack of universal completion implies that the country still has to concentrate efforts on completion of primary in order to reach the Millennium Development Goal of universal primary education.

Inequitable access to secondary education. According to MEYS data, less than half of those meeting the age criteria take the Common Entrance Exam (CEE), and only around 45% of those who took it passed in 2002 and continued on to secondary education. Some 29% of students in senior primary were also offered a place in secondary that year. The low transition rate implies low gross enrolment (73% in 2003) which, combined with high drop out, results in a low completion rate (49% in 2003). Over 40% of students who write the CEE do not have access to secondary due to lack of spaces in the school system. Absolute enrolment in secondary increased yearly by 1.3% between 1993 and 2003. It should continue to grow markedly to the year 2010, experiencing the peak between 2005 and 2007. Studies have determined a long-term need for at least an additional 1,800 places to enable universal secondary enrolment. Teacher student ratios are adequate both at primary and secondary level, and an agreement between the GOSVG and the SVG Teachers' Union would permit increased ratios. This would allow for expansion of secondary education without requiring hiring of additional teachers. Access varies across the country, and areas with a shortage of school places have been identified through school mapping. The ESDP identifies rehabilitation of existing secondary schools and the construction of new ones as a priority.

Deficient quality of primary and secondary education. The poor pass rate of students sitting the CEE (45%) indicates poor preparation for secondary school. Available data from the secondary leaving exam, the CXC, shows continued poor student performance: 37.5% passed Math and 63.9% passed English in 2001. Both primary and secondary levels are characterized by high absenteeism, repetition and drop out rates. Factors contributing to low quality are: (i) outdated curriculum; (ii) lack of books and materials; (iii) a relatively high percentage of uncertified teachers (56% in secondary without pedagogical training and 30% in primary); (iv) wide disparities among schools regarding the distribution on certified teachers, which has shown a correlation with the CXC examination performance; (v) high attrition rate among uncertified secondary teachers (10% per annum); and (vi) insufficient relevance of the training provided to teachers.

Post-secondary education issues. Although expansion of secondary education tops the country's list of education priorities, improving quality, augmenting relevance and improving access to post-secondary education are also on the country's education agenda. Post-secondary education is available at a number of institutions (St. Vincent Teachers Training College, St. Vincent Technical College, School of Nursing, A-level Community College, Medical College, Richmond Vale Academy and University of West Indies (UWI) School of Continuing Studies). Most of these institutions do not award degrees. Relatively few students qualify and can afford to attend UWI or universities outside the region. Enrolment has grown at all four local colleges and is expected to continue to grow at about 0.50% per annum. There is substantial gender disparity; male enrolment is substantially lower than female enrolment in every college. The main issues at this level are: (i) shortage of supply for the increasing demand for post-secondary education; (ii) lack of relevance of post-secondary studies, in particular A-level college courses, which do not prepare students to enter the labor market; (iii) poor teaching-learning environment at the Teachers College; (iv) need to better integrate existing colleges; (v) need to establish a system for articulation, validation and accreditation in order to award associate degrees; and (vi) poorly managed upgrading system for teachers who do not meet certification levels.

Teaching Profession. In 2001, there were about 960 primary teachers. Between 1987 and 2001, primary teacher numbers have dropped by 24%, reflecting in part a decline in primary school population. Approximately 30% of primary teachers are uncertified. Most of these have received training, but they have not met certification requirements, are teaching without a certificate and are paid a lower salary. The MEYS has embarked on a plan to increase the numbers of certified teachers to 90-95% by 2005. The Government created a Youth Empowerment Scheme (YES) to help teacher trainees gain access to the Teachers Training College in 2002/03, targeting around 78 trainees per year for the next 3 to 5 years to meet attrition and demand. At the secondary level, about 56% of the secondary teachers are uncertified and do not have pedagogical training. From 1987 to 2001, the secondary teaching force grew by 8%, while enrolment grew by 24%. There is a high attrition rate among uncertified secondary teachers (over 10% per year). Although there is a two-year program for training secondary non-graduate teachers, there is a significant backlog (around two hundred uncertified teachers). With attrition of 10% per year, 40 teachers per year need to be trained to maintain the current level of certified training staff.

Weak governance of the sector and the schools; SVG compares unfavorably to other OECS countries in governance of the education sector. Dominica, Grenada and St. Lucia strengthened their MOE structures, functions and human resources with support from Bank-funded Basic Education Reform Projects. Though other donors have committed support to SVG in these areas, ultimately the emphasis has been placed on school construction. SVG needs to tackle the governance aspects to achieve quality improvement of its education system. This would imply: (i) expanding and improving the education management information system (EMIS) as information about the education system's performance is not collected and disseminated systematically; (ii) reviewing and restructuring the administrative, management and development functions of the MEYS and (iii) strengthening the planning capacity at all levels. School principals now receive training in detailed planning, but education officers' supervision capacities need to be further developed and strengthened. An ongoing management audit may identify further issues, all of which should be addressed as key to the achievement of the ESDP goals.

**Annex 2: Major Related Projects Financed by the Bank and/or other Agencies  
St. Vincent and the Grenadines: OECS Education Development Project**

Sector Issue Addressed	Project	Latest Supervision (PSR) Ratings	
		Implementation Progress (IP)	Development Objective (DO)
<b>Bank Financed</b>			
SVG's resilience, preparedness, and ability to respond to the effects of natural disasters	VC Disaster Management (P069923)	U	S
SVG's institutional capacity to develop and implement security plans for industry's energy needs, airport and seaport facilities	St. Vincent Emergency Recovery Project (P076822)	S	S
Reforms in the telecommunications sector and supply of informatics-related skills	OECS Telecom Reform (P035730)	S	HS
<b>Other Development Agencies</b> <i>(see table below)</i>			
DFID (parallel financing)	SVG OECS Education Development Project (under preparation)		
Caribbean Development Bank	BEP I (closing); BEP II (under preparation)		
European Union	NIP and STATVET (ongoing); SFA and EDF (under preparation)		
Republic of China	PH1 (closed); PH2 (planned)		

**MEYS - CURRENT AND PROPOSED CAPITAL PROJECTS**  
**by Project component and Funding Source**  
**to support the**  
**Education Sector Development Plan (2003 – 2007)**

PROJECTS	Closed	Ongoing					Projected				
		ROC	OECS/EU	DFID	EU/NIP	CDB/BEP1	EU/STATVET	EU/EDF 7/9	CDB/BEP2	EU/SFA	ROC/PH2
<b>1. COMPONENT</b>											
Funding amounts (US\$ millions)	3.0	3.0	0.8	6.5	6.0	5.0	8	15.1	6.7	3.8	6.2
<b>SUM OF FUNDING</b>	3.0	21.3					39.8				
<b>Sub-sectoral distribution of projects</b>											
ECD									X		
Primary	X				X			X	X	X	
Secondary	X		X				X	X		X	X
Post.sec.		X		X							
Vocational						X			X		
Adult									X		

Given the number of externally financed projects, the donor agencies met on various occasions to discuss project activities. Efforts were made to identify areas of overlap between the proposed projects in order to avoid duplication of resources in like areas and maximize resources across the needs laid out in the ESDP. During the discussions, crossovers surfaced in teacher training, management training for school principals, testing and measurement, guidance counseling, special needs training and activities, and EMIS. The Bank made adjustments to its proposal accordingly, such that the proposed project funds areas not covered by other donors. Those areas that do coincide, such as teacher training, will be well coordinated.

**Department for International Development (UK DFID):** DFID and the World Bank are collaborating to offer financing for the OECS Education Development Project across the OECS islands. DFID's funding is limited to technical assistance (*see Annex 16 for a full description of activities*). Since the total funding package was already approved, and it is not tied to the Bank's approval process, this has enabled DFID to provide funds for preparation and ongoing activities envisioned under the project. This has included the contracting of a Project Preparation Coordinator to oversee the stakeholder working groups and consultancies to carry out the school mapping study and building analysis required to determine the civil works component. In addition, school principals have already begun training to elaborate school development plans.

**European Union (EU):** The EU has two financing proposals.

1. Under the 9<sup>th</sup> EDF, the project aims to improve access and quality of primary and secondary education. The project includes: ***Infrastructure:*** replacement of the secondary school on Union Island. ***Training of secondary and all-age principals*** in school management, school-based development (includes school development plans) and work with school bursars. ***Assistance to underperformers*** in senior primary and secondary schools (mentoring of students – training of mentors and teachers). ***National student performance monitoring and testing*** (training of teachers to do ongoing monitoring of student achievement). ***Improvement of teaching*** of math, science and ICTs in secondary and arts in primary and secondary. ***Institutional strengthening of the MEYS*** through long-term TA (international, regional and local TA to support financial aspects and MEYS thematic units).

2. **SFA:** Resources are allocated to countries negatively affected by the downturn in the banana industry. The project aims to improve access to ***early childhood development (ECD), adult and special needs education, and education management*** in a more general sense. ECD: establishment of several ***ECD centers*** and refurbishment of existing facilities; equipment to all centers. ***Training of current ECD teachers*** in public and private centers, and ***improved materials***. Adult education: established and/or refurbished and equipped ***adult education centers***. ***Training*** of educators, facilitators, assessors and adult specialists, and development of relevant materials. ***Special education:*** refurbishment of existing ***infrastructure*** and support for students with special needs in the school system – ***training in special needs and psychology***, and relevant materials. Support to ***institutional capacity building of the MEYS*** – using a fund that can be drawn down on by PCU.

**Caribbean Development Bank (CDB):** The second Basic Education Project (BEP II) is under preparation. It addresses outstanding issues from BEP I and deals with emerging sector issues: (i) ***Improved quality and school effectiveness:*** strengthen quality of primary and secondary teachers through ***training of trainers*** at master's level, 34 secondary teachers to first degree level in specific subject areas, 20 untrained graduate secondary teachers through distance education to professional status; training to master's level in curriculum development, ECD, guidance and counseling, special education and testing and measurement to strengthen management of these areas; specialist assistance for ***detection of learning difficulties*** and development of remedial interventions; (ii) ***Institutional capacity building: training of school principals and community groups*** to work on school development plans (SDPs) at primary and secondary level; ***strengthening of management of information systems*** – training of one person; integration of data into more comprehensive EMIS; short-term training of 20 persons in education management; and conduct of management audit; (iii) ***Enhancement of learning environment (infrastructure):*** construction of two replacement primary schools and one new primary school; construction of one replacement secondary school and construction of new facility for MEYS.

### Annex 3: Results Framework and Monitoring

#### St. Vincent and the Grenadines: OECS Education Development Project

#### Results Framework

PDO	Outcome Indicators	Use of Outcome Information
<p><i>For the Program</i> Promote human development for long term growth by augmenting the educated and skilled labor force</p>	<p>20% increase in persons entering the labor force with minimum academic qualifications and basic skills to undergo job training</p>	<p>The Outcome Information may be used in the following ways:</p>
	<p>Increase in the percentage of persons to enter institutions of higher education</p>	<ul style="list-style-type: none"> <li>to provide comparable sector data to monitor the country's performance against the OECS Education Reform Strategy and its own long-term sector development plan (ESDP)</li> </ul>
<p><i>For the Project</i> Increase equitable access to secondary education</p>	<p>Transition rate to secondary education increased from 73% in 2002/03 to 95% by 2007/08</p>	
	<p>Net enrollment rate in secondary education increased from 60% in 2002/03 to 77% by 2007/08</p>	<ul style="list-style-type: none"> <li>to allow the GOSVG to monitor efficiency of sector spending and to provide rationale for high investments in education</li> </ul>
<p>Improve the quality of the teaching and learning process</p>	<p>Gross completion rate for Form V increased from 49% in 2002/2003 to 65% by 2007/08</p>	<ul style="list-style-type: none"> <li>to provide rationale for resource allocation by school</li> </ul>
	<p>Proportion of students passing at least 5 subjects at CXC exams increased from 37% in 2000/01 to 48% by 2007/08</p>	
<p>Strengthen management of the sector and governance of schools</p>	<p>Improved distribution of resources between salary and non-salary expenditures in education from 10% in 2002 to 14% by 2007/08</p>	
	<p>Teacher/pupil ratio increased from 18 in 2003 to 21 by 2007/08</p>	

Intermediate Results One per Component	Results Indicators for Each Component	Use of Results Monitoring
<p><b>Component One:</b> Increase equitable access to secondary education</p>	<p><b>Component One:</b> Transition rate to secondary education increased from 73% in 2002/03 to 95% by 2007/08</p> <p>Net enrollment rate in secondary education increased from 60% in 2002/03 to 70% by 2007/08</p>	<p>Results monitoring can be used in the following ways:</p> <p><b>Component One:</b></p> <ul style="list-style-type: none"> <li>• to monitor for sufficient capacity of secondary school places, targeting geographical areas with greatest shortages as identified in the school mapping;</li> <li>• to examine demand factors for low transition from primary to secondary, since the CEE exam will be abolished as an entrance exam, giving way to automatic promotion to secondary.</li> </ul>
<p><b>Component Two:</b> Improve the quality of the teaching and learning process, with more direct interventions and provision of resources at the school level, a focus on student-centered learning and various mechanisms to provide student support</p>	<p><b>Component Two :</b> Gross completion rate for Form V increased from 49% in 2002/2003 to 65% by 2007/08</p> <p>Proportion of students passing at least 5 subjects at CXC exams increased from 37% in 2000/01 to 48% by 2007/08</p> <p>90% of secondary school teachers trained to certificate level</p>	<p><b>Component Two:</b></p> <ul style="list-style-type: none"> <li>• to reexamine the appropriateness of chosen instruments to support students (specialized attention to male students, improved guidance counseling, mentoring, literacy programs and extra-curricular activities);</li> <li>• to determine the evolution in the number of trained teachers (looking at teacher attrition, teacher training policies, progress of training by other donor projects)</li> </ul>
<p><b>Component Three:</b> Strengthen management of the sector and governance of schools.</p>	<p><b>Component Three:</b> Improved teacher/pupil ratio from 18 in 2003 to 21 by 2007/08</p>	<p><b>Component Three:</b></p> <ul style="list-style-type: none"> <li>• to gauge control of unit costs.</li> </ul>

### Arrangements for results monitoring

Outcome Indicators	Target Values				Data Collection and Reporting		Responsibility for Data Collection	
	Baseline	YR1	YR2	YR3	YR4	Frequency and Reports		Data Collection Instruments
Transition rate to secondary education increased	73%	80%	87%	93%	95%	Annual reports	Education statistics	MEYS, EPU
Net enrollment rate in secondary education increased	60%	63%	65%	68%	70%			
Gross completion rate for Form V increased	49%	53%	57%	61%	65%			
Proportion of students passing at least 5 subjects at CXC exams, including English and math, increased	37%	40%	43%	45%	48%			
Repetition and drop-out rates for secondary education reduced	R. 10% D. 4.2%	9% 4%	8% 3.5%	6% 3%	4% 2.5%			
<b>Results Indicators for Each Component</b>								
<b>Component One :</b> One school built.				X		Bi-annual reports on project implementation	Education statistics Site visits and assessment	EPMU/MEYS
Four secondary schools rehabilitated		X						
Equipment and furniture provided to new school				X				
<b>Component Two :</b> <u>Teacher training:</u> Needs assessment of teaching skills complete		X						
Screening system for new entrants developed and teaching career path reviewed		X						
60 uncertified graduate and 20 uncertified non-graduate teachers trained to certificate level		X	X	X	X			
Professional development programs established (24 total – approximately 6 per year)		X (6)	X (6)	X (6)	X (6)		Education statistics CXC pass rates	EPMU/MEYS

Outcome Indicators	Target Values					Data Collection and Reporting		
	Baseline	YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
<u>Curriculum Development:</u> National Curriculum and National Assessment Policies adopted		X					Policy documents	EPMU/MEYS
Curriculum guides for lower secondary schools developed			X					
<u>Literacy Enrichment:</u> Ten literacy specialists trained		X	X (3)	X (7)		Bi-annual reports on project implementation	Trained literacy specialists working with schools	
Ten library assistants trained		X		X				
Resource center established and in use					X			
Library information centers established or upgraded in seven secondary schools.			X (3)	X (4)				
Classroom libraries established in nine primary schools			X					
<u>Student support services:</u> 20 guidance officers trained and working in schools.			X				MEYS/Measurement and Assessment Unit data.	
60 Mentors and peer counselors trained and working in schools		X		X			Site visits and assessment	
Student support programs established (peer mentoring, extracurricular activities)		X	X	X	X		MEYS statistics	
<u>Component Three:</u> New education act proposal finalized and approved by 2006/07				X		Bi-annual reports on project implementation	Education Act regulations	EPMU/MEYS
Finalized regulations governing schools and other educational institutions by 2006/07				X			Reports on School Development Plans	
Principals trained on creation and implementation of school development plans		X					School visits	

## **Annex 4: Detailed Project Description**

### **St. Vincent and the Grenadines: OECS Education Development Project**

The proposed project will support the education development process in Saint Vincent and the Grenadines (SVG), as reflected in its Education Sector Development Plan (ESDP-2002-2007), and more specifically will assist the Government (GOSVG) to provide universal access to five years of quality secondary education. The ESDP dictates that there should be a more equitable distribution of human, material and financial resources across the sub-sector. Integral to these initiatives is the raising of student achievement levels through renewal of the curriculum, training of teachers and more effective management of schools.

**Project Objectives.** The project will support the GOSVG's efforts to: (i) increase equitable access to secondary education; (ii) improve the quality of the teaching and learning process, with more direct interventions and provision of resources at the school level, a focus on student-centered learning and mechanisms to provide student support, and (iii) strengthen management of the sector and governance of schools.

**Project Components.** The proposed project is the first World Bank education operation for SVG. Though the GOSVG has received ample support from other donors, there are still significant gains to be made in the institutional and management aspects of the sector, and measures need to be taken to raise the country's education performance to that of its neighbors in the OECS region. These issues are considered in the design of the project. The proposed project description is founded in the ESDP and takes into consideration the areas covered by other donor funding.

#### **Component 1. Increase equitable access.** (US\$5.2 million)

##### **1.1. Construction of a new school** (US\$4.7 million)

**Objective:** To create 750 additional spaces in secondary education. This will be achieved through the construction of a new school.

One of the GOSVG's main sector goals is to achieve universal secondary education by 2007. Absolute enrolment in secondary has experienced a yearly increase of 1.3% between 1993 and 2003. Enrollment in secondary schools increased by 500 students in 2003 and it is anticipated that another 500 students will enroll during 2004, consistent with the Government's policy of attaining universal secondary education. Enrollment should continue to grow markedly until 2010, experiencing a peak between 2005 and 2007. A school mapping exercise, funded by DFID in 2003, has identified a long-term need for 1,800 additional places in secondary to achieve universal coverage within the next five to seven years. The deficit is most acute in the districts of Calliaqua and Central Leeward/Barrouallie. In fact, Calliaqua is one of only two districts without a secondary school, despite being the largest census district accounting for one fifth of the country's population. One perceived consequence is that the Calliaqua district is consistently below national averages for all levels of literacy competence, as reflected in the 2002 National Literacy Survey<sup>2</sup>.

The GOSVG has used a recent building analysis and the school mapping documents to make final decisions regarding the need for new schools and their locations. The Government plans

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<sup>2</sup> Adult Literacy Assessment, St. Vincent and the Grenadines, March – October, 2002.

to increase access through construction and expansion of secondary schools, based on the population trends and efficiency needs. Given the available data, the GOSVG intends to build one new secondary school on the main land and replace and expand two existing secondary schools, one on the main land and one in the Grenadines. The Government has requested support from the World Bank to build the new school in Calliaqua (Belair). A replacement school will be built on Union Island, financed by the European Union (EU), to provide spaces for students in the Southern Grenadines: Union Island, Canouan and Mayreau, and the CDB will replace a third school in Barrouallie.

Implementation Arrangements. The GOSVG has acquired approximately 3.8 acres of land at Belair, in the Calliaqua district. National budgetary allocations have been made for the construction of a bridge and access road to facilitate school construction (completion is a condition for disbursement), and the GOSVG has initiated the purchase of an adjoining 4.1 acres to be used for recreational purposes and curricular activities such as Agricultural Science. The site is ideally located away from immediate vehicular traffic and dwelling homes, yet within the vicinity of the main population centres and feeder primary schools. Residents of Belair and environs were consulted and support the idea of construction of a secondary school<sup>3</sup>.

The Ministry of Education, Youth and Sports (MEYS), the Central Planning Division and the Ministry of Health and the Environment collaborated to agree on the school site and carry out the required environmental impact analysis. The GOSVG has received the Bank's *Guidelines for Addressing Environmental and Social Safeguard Issues in World Bank Education Project in Latin America and the Caribbean*, which were used for the environmental impact studies and will be included in all bidding documents for civil works. An Operations Manual has been developed which details the selection and construction process. There will be collaboration between the Central Planning Unit, the MEYS, the Ministry of Transport, Works and Housing and the project management units (EPMU and PCU/fiduciary unit - see Annex 6 for further details on these units) to implement this civil works component.

Key inputs and outputs. This component will finance the construction and equipping of the new school. Inputs include consulting services to design the school and materials to carry out the civil works. The main output will be a new fully equipped model secondary school comprised of approximately 25 classrooms, 2 science labs, 2 computer labs, a library information center and other facilities to enhance student-centered learning.

### **1.2 Rehabilitation of four secondary schools (US\$0.53 million)**

Objective: To rehabilitate four secondary schools in low-income areas to provide better quality facilities to students.

The MEYS commissioned a building analysis of all schools to determine their physical state. Four secondary schools were identified for rehabilitative works, namely North Union, Adelphi, Petit Bordel and Campden Park. In 2001, there was a general overhaul of primary and secondary schools throughout the State, and as a result, these are the only four that were adjudged to be in less than suitable condition. Repairs will be made to toilet facilities and learning spaces.

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<sup>3</sup> Meeting with residents March 11, 2004

Implementation Arrangements. Once again, the Central Planning Division, the MEYS, the Ministry of Transport, Works and Housing and the EPMU and PCU will collaborate, and the Bank's *Guidelines for Addressing Environmental and Social Safeguard Issues in World Bank Education Projects in Latin America and the Caribbean* will be included in all bidding documents.

Key inputs and outputs. Inputs include consulting services and materials to carry out the civil works. The main output will be improved facilities in the four selected schools.

## **Component 2. Improve quality** (US\$2.7 million).

Improved quality of secondary education is key to achieving a more effective and efficient delivery of education services. In this regard, the ESDP (2002-2007) outlines the following objectives:

- Ensure that all secondary teachers are trained;
- Review and update the secondary school curriculum;
- Substantially increase students' literacy and numeracy skills;
- Increase the provision of books and materials.

This component supports strategic elements to improve the quality of teaching and learning. The project also intends to support training of secondary school teachers in content and methodology at the graduate and post graduate levels.

**2.1. Upgrading of teacher skills and standards** (US\$0.4 million). At present, only 44% of teachers are trained at the certificate level. The GOSVG's goal is to certify all teachers by 2008. The GOSVG has requested combined funding from the World Bank, the Caribbean Development Bank (CDB) and the EU to reach this goal. The proposed project will support an in-service training program for secondary school teachers and will bolster the teacher appraisal system which is being developed with the assistance of the OECS Education Reform Unit (OERU) and active involvement of the St. Vincent Teachers' College and the St. Vincent and the Grenadines Teachers' Union. The system is currently being employed as an essential tool to determine the promotion of certified teachers. It is anticipated that the expanded application of the appraisal system would lead to the rewarding of better teaching practices and more competent and efficient teachers, while generally motivating teachers to perform at the highest level of their professional competence. The teacher appraisal system will guide the activities for this subcomponent and will provide coherent and mutually reinforcing policy measures to make the teaching profession more attractive, both for secondary school graduates and teachers in service, by establishing career paths, advancement and promotion expectations and professional development opportunities.

Objective: To support the Government's efforts to improve the teacher training system. Specific goals include: (i) identification of priority areas and skill needs; (ii) improved caliber of people entering the teaching profession; (iii) a fully trained and certified teaching force and (iv) strategies for maintaining and retaining a high quality teaching force.

The activities proposed to improve the quality of teachers, and thereby their efficiency and effectiveness, are: (i) an assessment of skills among current teachers to determine the priority skills areas and training needs for improvement; (ii) the development and implementation of a screening system for new entrants into the profession, to be implemented in the teacher

training program and weighted toward tested aptitudes and attitudes; (iii) the provision of comprehensive in-service pedagogical training for certification of 60 uncertified graduate and some 20 uncertified non-graduate teachers and (iv) the establishment of professional development grants and a “master teacher” program to provide incentives for exemplary teachers and build and maintain their enthusiasm for the teaching profession and continued excellence in classroom performance. The development grants could be used for research or studies. The “master teacher” program would create opportunities for experienced teachers to transfer knowledge, teaching styles and methods and general good practices to their colleagues through participation in induction programs for new teachers, mentoring and training.

Implementation arrangements: Technical staff from the MEYS and representatives from the local Teachers’ College will collaborate to oversee these activities: (i) A local or regional consultant will carry out the needs analysis. Based on the findings, the consultant will research the availability of existing courses and materials, investigate the means for producing new courses and materials for the in-service programs, and devise appropriate timetables for each course. New courses will be developed in line with the curriculum reforms. The teacher training program will run for three years, and all training will be carried out by Teachers’ College staff and teachers who have demonstrated mastery in subject matter and methodology. The training programs will be coordinated by the Teachers’ College and the MEYS with assistance from other units and individuals as identified by the main coordinating bodies. A new Bank-promoted initiative, the Caribbean Knowledge and Learning Network (CKLN), will provide opportunities for distance training across all the OECS islands and may be a valid tool for offering courses to teachers. (ii) A consultant will be hired to assist the MEYS in the development and piloting of a screening program for new entrants into the teaching profession and a review of the teaching career path. (iii) The MEYS, in conjunction with key stakeholders (Education Advisory Board, SVG Teachers’ Union, SVG Principals’ Association, Community College), will establish the criteria for the selection of teachers to receive the professional development grants and to participate in the Master Teacher program. This criteria and list of eligible activities are defined in the Operational Manual.

Key inputs and outputs: The main inputs under this sub-component are the consultancies as described above, training courses and materials for uncertified teachers, and funds for the professional development grants and Master Teacher program. The outputs will include: (i) a clear policy for teacher recruitment, hiring, promotion and redeployment; (ii) more highly qualified entry-level teachers; (iii) a cohort of certified secondary school teachers; and (iv) strategies to reward high-performing teachers, establishing teaching as a profession and encouraging excellent teachers to remain in the teaching force.

**2.2. Curriculum development for Forms I to III (US\$0.3 million).** This will complement ongoing work by the OERU for the sub-region.

Objective: To support ongoing efforts in SVG to review and update the secondary curriculum, in line with the ESDP. There is a foundation curriculum determined by the MEYS for the first three years of secondary education (Forms I to III) and a core of five subjects to be followed by all students from Forms I to V. However, curriculum guides have not yet been designed for all subjects and there is no curriculum policy to inform the development of the guides. The MEYS Curriculum Development Unit (CDU) has outlined

plans for a curriculum policy that has not yet been implemented. An assessment policy for secondary education needs to be developed simultaneously, as curriculum and assessment are complementary. The MEYS, through its CDU, will continue its collaboration with counterparts in the OECS sub-region to: (i) develop a national curriculum policy; (ii) complete the national assessment policy (done for the primary level but not for secondary); (iii) develop curriculum guides for the first three years of secondary education in key subject areas, including geography, history, creative and performing arts and modern languages; and (iv) establish a National Curriculum Advisory Committee to oversee the development of the curriculum and assessment policies and application of the revised curriculum.

Implementation arrangements: The MEYS CDU and the curriculum working group will collaborate to achieve the implementation of the sub-component's proposed activities. The CDU will take the leadership role in the execution of all activities. The development of a national curriculum and assessment policy will be carried out with the technical assistance of a regional/international consultant, a local researcher and other key MEYS staff. (i) The CDU and Assessment and Evaluation Unit will convene stakeholders meetings prior and subsequent to the production of the curriculum and assessment policies, as well as training workshops on implementation of the policies and the new curriculum. (ii) The curriculum guides will be developed by a team comprising a consultant, the CDU staff, subject associations, heads of departments and selected classroom teachers. The CDU will also collaborate with other bodies in the OECS that have undertaken a similar exercise.

Key inputs and outputs. The key inputs will be consultancies, stakeholder meetings and materials. The main outputs will be two policy documents (the National Curriculum and Assessment Policies), the curriculum guides, and the creation of a National Advisory Committee to oversee curriculum matters. The committee's operating costs will be financed by the GOSVG. DFID will finance the consultancies for this sub-component.

### **2.3. Literacy enrichment and support (US\$1.4 million).**

Objective: To improve the literacy levels of SVG's population at the primary and secondary education levels. The demonstration of literacy competencies is one of the main deficiencies among students in SVG. The problem is most acute at the primary school level. Student performance on the Common Entrance Exam (CEE) and Secondary Leaving Exam (SLE - for those who do not gain entry into secondary school) is a major concern. The CEE results prior to 2003 have been consistently poor, averaging 33% overall pass rate between 1998 and 2002. During that same period, SLE results have averaged less than 10%, with typical pass rates of 5.7% (1998) and 7.1% (2002). Analyses of all the national tests and examinations (Grade 2 and 4 National Diagnostic tests, CEE and SLE) reveal that low literacy and numeracy skills are the main factors contributing to poor student performance.

The challenge, therefore, is to create an environment that would foster literacy habits and would provide additional resources to allow students to utilize the available learning tools and to excel. The activities proposed under this sub-component intend to (i) increase levels of literacy substantially; (ii) increase the provision of books and learning materials, including ICT; and (iii) encourage home/school partnerships.

In addition to introducing literacy activities and resources at the school level, a resource centre for teachers and literacy, curriculum and education officers is seen as necessary. This

resource centre would house materials and equipment that would be available to teachers for use in teaching and learning activities. Training activities would also be organized there.

At present, there are three literacy officers in the Curriculum Development Unit to serve 66 primary schools and 21 secondary schools. The literacy enrichment support program will: (i) provide specialized training for ten teachers in diagnosis, concepts and methodology to become literacy specialists; (ii) establish a resource center for teachers and literacy, curriculum and education officers; (iii) establish or upgrade library information centers in seven rural secondary schools (Bequia, Campden Park, Carapan, Georgetown, Petit Bordel, Troumaca and North Union) and set up classroom libraries in nine low performing primary schools and (iv) train ten uncertified secondary school library assistants.

Implementation arrangements: The Curriculum Development Unit (CDU), the Department of Library and Archives (DLA) and the librarian at the local Community College will collaborate in the implementation of this sub-component. The CDU will be responsible for setting up the classroom libraries and selecting persons to be trained as literacy specialists. The CDU will identify an appropriate institution to provide the relevant training. The head librarian of the DLA, in collaboration with the Community College librarian, will coordinate the training of uncertified secondary school library assistants and set up the library information centers in the seven rural schools. The resource center will be housed in the CDU's current office building. Rehabilitation will be required, including redistribution of the floor plan to accommodate research and teaching spaces, and upgrading of plumbing and the electrical system. The MEYS, Ministry of Transport, Works and Housing and the PCU will coordinate the civil works for the resource center and library information centers.

Key inputs and outputs. The main inputs for this sub-component will be consultancies, training courses, materials for training, books and equipment, shelves and storage, and civil works to convert the CDU's current offices into the resource center and upgrade the library information centers. Specific inputs include: (i) a one-year Master's level training program in diagnosis and assessment for three graduate teachers at a regional or international institution and a 2-year undergraduate training program for seven teachers; (ii) construction services, furniture and electronic equipment for the resource center; (iii) the design and establishment or upgrading, including rehabilitation, of the seven library information centers and the selection of books for the classroom libraries in nine primary schools and (iv) a consultant/librarian to develop and deliver training for 10 uncertified secondary school library assistants. The main outputs will be trained literacy specialists and library assistants to provide professional leadership for the literacy enhancement program, and improved literacy resources for curriculum officers, teachers and students.

#### **2.4. Improved student support services (US\$0.7 million).**

Objective: To support the GOSVG's effort to improve student support services through improved guidance and counseling services and greater involvement of children, parents and communities in schools. The school mapping exercise and other available data show that, although the physical capacity levels of the schools are of concern, there are other more urgent capacity aspects. The studies indicate that 15-16 year old students appear to drop out of the system at an alarming rate. The percentage of those enrolled in school compared to those of school-going age equals 63% enrolment for 15-year-olds and 43% enrolment for 16-year-olds. Factors affecting this issue relate to the quality of teachers and the teaching profession, quality of the learning environment, relevance of study programs and home and

community environments. The GOSVG seeks to provide support at the school level to assist at-risk students in learning aspects (through the literacy enrichment program) and personal aspects (through improved school-based counseling services and targeted activities). Male students will be specifically targeted, since they are poorer performers at all levels. The activities under this sub-component will complement teacher training in early detection of learning difficulties and training of special education specialists, to be funded under an EC project.

The activities under this sub-component include: (i) specialized training for 20 guidance counselors to enable them to provide guidance and training to secondary school students; each secondary school would have a trained counselor (ii) training and resource materials to enable 60 students to function as peer counselors and mentors; (iii) training and resource materials for 360 parents to help them provide necessary support to their children; (iv) student-led extra-curricular activities for some 600 students, targeting boys especially and (v) training of 60 teachers to provide academic enrichment support to selected students.

Implementation arrangements: The MEYS CDU and Guidance Counseling Unit (GCU) and the Department of Family Services will be involved in the development and implementation of the training of peer counselors, mentors and parents. Guidance officers will be trained via distance study programs at regional institutions. The MEYS, CDU and the Training Division will establish the selection process for persons to be trained. A committee will be established to review and approve the proposals for student-led extra-curricular programs. The description of the composition and role and responsibilities of this committee, as well as the eligible activities and procedures for preparation, evaluation and approval of proposals, are included in the Operational Manual. Schools will receive training in the procurement of goods and services to carry out said activities, as well as the accounting and filing procedures.

Key inputs and outputs. The main inputs financed by this sub-component will be training of the guidance officers, mentors, peer counselors and parents. The main outputs will be a cohort of trained personnel to work at the school level and a myriad of programs to provide direct support to at-risk students. The student-run extracurricular activities should generate wider participation of students in the school community.

### **Component 3. Strengthen management and governance** (US\$1.2 million)

Objective: To support the Government's efforts to improve management, administration and governance in the MEYS and in the education sector as a whole. The MEYS has indicated four critical areas of management, administration and governance that need to be addressed to substantially improve the effectiveness and efficiency of the MEYS and educational institutions:

- (i) Develop a knowledge creating and sharing environment supported by research and development and an information technology platform which links all institutions within the sector, thereby enhancing access to quality information in support of policy analysis and decision-making;
- (ii) Strengthen the capacity of the MEYS to supervise and manage the operations of schools and colleges;

- (iii) Strengthen the capacity of school principals and members of school boards to carry out increased management functions in the administration of schools; and
- (iv) Review and upgrade the current legislative framework that govern educational institutions in St. Vincent and the Grenadines.

The CDB has agreed to fully fund the first activity with the expansion of the Education Management Information System (EMIS). The World Bank's proposed project also includes a fund for regional knowledge sharing, to be used for participation of SVG stakeholders in regional workshops and joint missions with participating OECS countries under this APL. The EU will provide training to the school boards (activities ii and iii). The World Bank, through this proposed project, has committed to support some aspects of the third activity and fully support the fourth. An ongoing CDB-financed management audit will more specifically determine activities to strengthen management and governance. Funds have been earmarked under the proposed project to support additional activities, to be identified during the first year of project implementation following the recommendations of the management audit. These would likely include supervision needs (activity ii) as well as the development and implementation of an efficient communication and public awareness system for the MEYS.

At this stage, the project will provide: (i) funds to promote regional knowledge sharing, including travel to neighboring countries for workshops or missions; (ii) technical assistance to train school principals. This training is being done as a series of workshops which began in August 2003 and is expected to be completed in 2005. A management team comprising Education Officers and heads of schools have designed a training guide: *School Development Planning in St. Vincent and the Grenadines*. Heads of primary and secondary schools are being trained in the following areas: School Development Planning, School Review and Supervision and general school leadership. At the end of the program, participants will receive a certificate. The forthcoming EC training would build on this ongoing school management training. The EC-financed training will be at the undergraduate level; and (iii) technical assistance to develop an appropriate legal and regulatory framework for the operations of the MEYS, establishing the foundation for adequate governance and management of the education system. The operations of the MEYS are currently governed by the 1992 Education Act and to a lesser extent by regulations dating back to 1960. There is a draft OECS bill (1995/6) which is being put forward as a model of governance of education. There are omissions in the 1992 Act, and while the draft 1995/6 OECS Bill is more comprehensive, it too has omissions and fails to address many of the emerging governance issues which now confront the MEYS and its institutions. Heads of institutions and MEYS officials are left to make individual decisions which often serve to highlight inconsistencies in the governance of education. The recommendations for development of an appropriate legal and regulatory framework for the operations of the MEYS are therefore: (i) the adoption of the OECS Model Bill, but with some necessary amendments and (ii) completion of the regulations to support the Education Act 1992 Legal and regulatory framework.

Implementation arrangements: (i) The MEYS, with technical assistance from a DFID-financed consultant, is undertaking training for school principals in management and in the elaboration and implementation of school development plans. (ii) The MEYS, along with the Department of Legal Affairs, a facilitator and a designated legal specialist, will coordinate the process of developing an appropriate legal and regulatory framework. Stakeholders, including

Ministers of Government, former Ministers of Education and an Education Officer, teachers, students and parents will provide contributions to shape the above mentioned legislation.

Key inputs and outputs. The project will finance: (i) consultancies for the development and implementation of the principals' training; (ii) a legal specialist to engage stakeholders in the identification, discussion and validation of the relevant issues to be included in the legislation to be elaborated; (iii) a coordinator/facilitator to assist the legal specialist in convening the discussions and interviews with stakeholders; (iv) workshops with stakeholders to review the policy documents; (v) the elaboration of the actual documents adapting the OECS model bill and the regulations; and (vi) travel to neighboring countries for workshops or Bank/DFID missions. The outputs include: (i) improved management of schools and (ii) a foundation for adequate governance and management of the education system. As mentioned above, other inputs and outputs will be identified once further management activities are agreed upon following completion of the management audit, but could include supervision activities and a communications system.

#### **Component 4. Project management** (US\$0.5 million)

Objective: To support the Government's efforts to improve management of donor-funded projects and better coordination of multiple donor activities. The MEYS has managed major capital projects funded by several other agencies, including DFID, CDB and EU. This is the first World Bank-funded project to be carried out in the education sector. Inadequate coordination of institutions responsible for management of the education sector has resulted in insufficient tracking and management of the different funding inputs and limited impact of the funds on improving the sector's achievements.

Implementation arrangements: To better coordinate inputs from multiple donors, a centralized Education Project Management Unit (EPMU) has been established to oversee this and other projects. The EPMU will comprise a Project Coordinator, a Project Manager for each new project, an administrative assistant, and personnel to coordinate civil works as needed. The international donors will pay for their respective Project Managers. The remaining EPMU staff positions will be paid by the GOSVG. An existing PCU in the MFPD currently manages two other World Bank projects in other sectors, and the proposed project will benefit from their developed capacity in procurement and financial management. Annex 7 outlines their role and responsibilities. The proposed project will partially finance PCU staff, including the procurement and financial management officers, an assistant for each area, and an administrative assistant. Financing of these positions will be shared with a Bank-financed HIV/AIDS project.

Key inputs and outputs. The proposed project will finance: (i) staffing costs for the EPMU and PCU; (ii) furniture, equipment and a vehicle for the EPMU and PCU; and (iii) training for EPMU and PCU personnel in key management areas. The expected output would be improved management and better synchronization of donor-funded projects.

**Annex 5: Project Costs**  
**St. Vincent and the Grenadines: OECS Education Development Project**

Component	Indicative Costs (US\$M)	% of Total	Bank financing (US\$M)	% of Bank financing
<b>1. EXPANSION OF SECONDARY SCHOOLS</b>				
1.1 Construction of one new school	4.66	49.10	3.22	51.44
1.2 Rehabilitation of existing secondary schools	0.48	5.10	.40	6.45
<b>2. QUALITY TEACHING AND LEARNING</b>				
2.1 Upgrading of teacher skills and standards	0.39	4.10	.26	4.19
2.2 Curriculum development for Forms I to III	0.28	3.0	.08	1.29
2.3 Literacy enrichment and support	1.36	14.30	.96	15.48
2.4 Improved student support services	0.67	7.0	.38	6.13
<b>3. STRENGTHENING GOVERNANCE AND MANAGEMENT</b>				
3.1 Upgrading of legal and regulatory framework	0.07	0.70	.04	0.65
3.2 Management and Administration	1.11	11.70	.60	9.68
<b>4. PROJECT MANAGEMENT</b>	0.48	5.0	.26	4.19
<b>Total Project Cost</b>	<b>9.47</b>	<b>.997</b>	<b>6.17</b>	<b>99.5</b>
Front-end fee	0.03	.003	.03	0.5
<b>Total Financing Required</b>	<b>9.50</b>	<b>100.0</b>	<b>6.20</b>	<b>100.0</b>

## Annex 6: Implementation Arrangements

### St. Vincent and the Grenadines: OECS Education Development Project

#### Proposed Project Implementation Arrangements

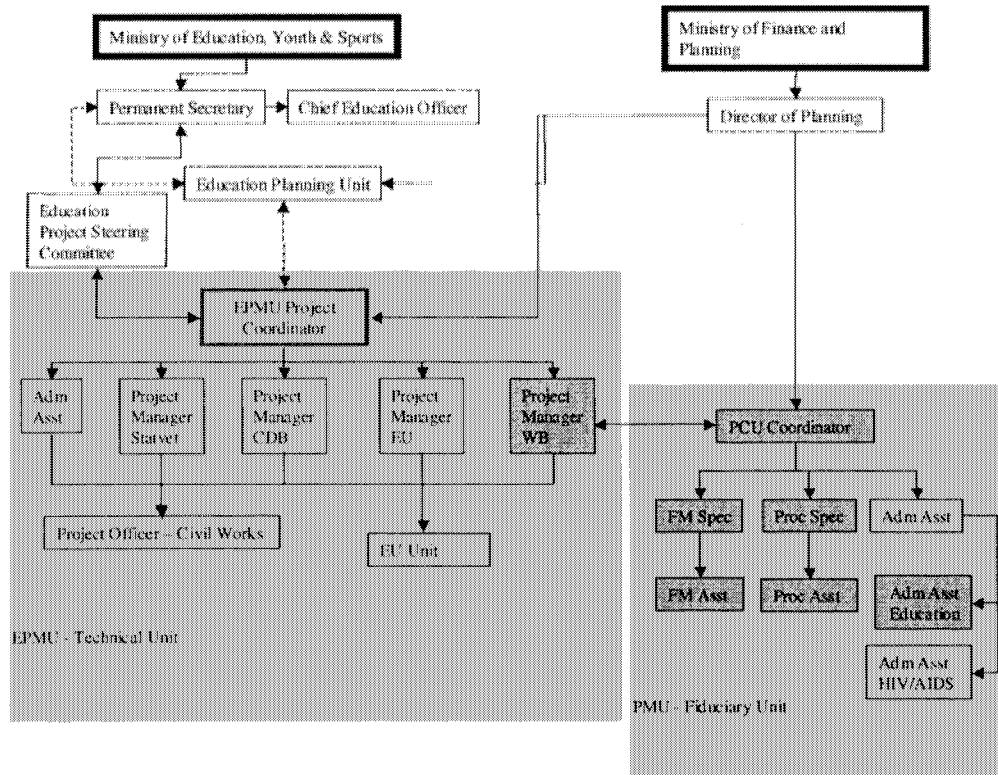
Historically poor implementation of projects by line ministries and inefficiencies associated with a proliferation of planning and project implementation units have led the Government of St. Vincent and the Grenadines (GOSVG) to take a policy decision to centralize all project implementation within the Ministry of Planning, Finance and Development (MFPD). In addition, poor tracking and management of multiple external funding inputs have limited the impact of donor agency projects on the achievement of the country's education sector goals.

In response to the challenges described above, the GOSVG has proposed the following implementation arrangements for this project. An Education Project Management Unit (EPMU) has been created with an overall Project Coordinator and Project Managers responsible for the implementation of the different international donor-funded programs in the education sector. This unit will liaise with the Ministry of Education (MEYS) but will remain under the auspices of the MFPD and will be responsible for the technical aspects of project implementation. For the fiduciary aspects of the proposed World Bank-financed education project, the EPMU will utilize the services and expertise of the financial management and procurement officers from an existing unit in the MFPD (PCU currently responsible for managing the Emergency Recovery and Disaster Management projects and the upcoming HIV/AIDS project), strengthened by additional staff. The organizational chart below shows the relationships between the EPMU, the PCU, the MEYS and the MFPD. This arrangement will alleviate the Education Planning Unit (EPU) of the responsibility for managing the externally funded education projects and will allow the EPU to focus exclusively on monitoring, evaluation and long-range planning. This should improve the Government's implementation performance and the MEYS's capacity for medium and long-range planning and informed decision-making of policies and allocation of resources within the sector.

The *EPMU (Technical Unit)* will be responsible for the administration and implementation of all externally financed education sector projects for the Ministry of Education and will comprise the following personnel:

- ◆ Project Coordinator
- ◆ Administrative Assistant
- ◆ Project Officer – Civil Works
- ◆ Consultant – Civil Works (on an as-needed basis)
- ◆ Project Managers responsible for implementation of each international donor-funded project in the education sector (WB/DFID-funded OECS Education Development Project (OEDP) and projects financed by the European Union, the Caribbean Development Bank and the Republic of China, among others).

## Organizational Chart of Proposed Implementation Arrangements



The PCU (Fiduciary Unit) will be in charge of all fiduciary aspects of the World Bank project and will comprise the following personnel:

- PCU Coordinator-Emergency Recovery Disaster Management Project (ERDMP)
- Financial Management Specialist and Assistant
- Procurement/ Contract Management Specialist and Assistant
- Administrative Assistant – ERDMP
- Administrative Assistant - Education project
- Administrative Assistant - HIV/AIDS project
- Consultant – Financial Management /Procurement (on an as-needed basis)

The EPMU will be responsible for the overall management and administration of the proposed education project, including its overall coordination and implementation, coordination of the contributions of participating entities, and communication with the World Bank and the Department for International Development (DFID). The PCU will be responsible for the procurement of all civil works, goods and services under the project, the preparation of progress reports, maintenance of all project financial accounts and preparation and processing of applications for withdrawals of proceeds from the Loan and Credit.

Implementation of project components. Project components will be executed at the local level by the respective MEYS units, with oversight by the EPMU and ultimately by the Education Project Steering Committee (EPSC). The DFID-supported components will be executed in collaboration with a DFID-appointed Service Provider responsible for identifying and hiring the required consultants (*see Annex 16 for a full description*). Overall project implementation will be guided by the Project Operational Manual (POM) which includes an Implementation Plan, a Financial Management Manual and a detailed Procurement Plan.

The implementing units will provide regularly scheduled progress to the EPMU. The EPMU will report project progress on a quarterly basis to the Bank, according to agreed upon performance indicators.

As a sign of its commitment to drive the expeditious implementation of the education projects, the GOSVG appointed a senior MFPD officer as Project Coordinator of the EPMU in mid-January 2004. There has been progress in the identification of the administrative support staff and their hiring will be a condition for project effectiveness.

To further affirm the relationship between the EPMU and the MEYS, the Project Coordinator will report regularly to the Directorate of the MEYS (comprising the Minister of Education, Minister of State, Permanent Secretary of Education and Chief Education Officer). In addition, the proposed OEDP design has been conceptualized and will be implemented by teams of educators from across the system. Stakeholder Working Groups were created to design the project and will be represented on the Education Project Steering Committee (EPSC). This will ensure a broad participatory base that will secure on-going stakeholder involvement. This structure has also contributed to the democratization of the education system by bringing together educators at different levels, from the schools to the MEYS, in defining and eventually implementing new initiatives. All of the education projects will be overseen by the EPSC comprising the MEYS Directorate, the Project Coordinator, representatives of each stakeholder Working Group and any (sub)Project Managers who may be hired.

The EPMU Project Coordinator is receiving full orientation on World Bank procedures. She also has been invited to visit the Corporate Planning Unit in the Ministry of Education, Human Resource Development, Youth and Sports in St. Lucia to get a sense of project management unit functions and operational requirements.

**Annex 7: Financial Management and Disbursement Arrangements**  
**St. Vincent and the Grenadines: OECS Education Development Project**

**Summary Conclusion of Financial Management Assessment.** On the basis of the assessments performed, the financial management team presents the following conclusions:

- (i) The implementation arrangements for the project have been defined and agreed upon with the Borrower. The Project Coordination Unit (PCU), currently located in the Ministry of Finance, Planning and Development (MFPD) and responsible for managing the fiduciary aspects of two World Bank projects (namely ERP and ERDMP), will be responsible for managing the fiduciary aspects of the proposed project.
- (ii) The PCU has in place an adequate financial management system to manage the fiduciary aspects of World Bank projects, since it manages two such projects.
- (iii) Assuming the PCU carries out the proposed action plans presented in this assessment, especially the hiring of an Administrative Assistant, it would have adequate financial management arrangements in place that meet the Bank's minimum fiduciary requirements to manage the specific financial activities of the proposed project.

It has been agreed that: (i) the PCU will open a Special Account denominated in USD in a commercial bank acceptable to the World Bank; (ii) loan funds will, at least initially, be disbursed to the Special Account on the basis of SOEs; (iii) each quarter, the PCU will prepare the Financial Monitoring Reports (FMRs) to be submitted to the Bank (the FMRs will include a narrative outlining the major project achievements for the quarter, the project's sources and uses of funds, a detailed analysis of expenditures by sub-component, a physical progress report, a procurement report and a procurement table); and (iv) annual project financial statements will be audited by independent auditors in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC) and in accordance with terms of reference (TORs), both acceptable to the Bank.

**Implementing Arrangements.** The proposed project will be implemented by the Ministry of Education (MEYS) via an Education Project Management Unit (EPMU). The EPMU will manage the implementation of external donor interventions in the education sector, including the proposed project. The EPMU will include a Project Coordinator (already in place), and a Project Manager for each externally funded project. This new structure will provide some synergy among the various externally funded projects while discouraging the proliferation of independent PMUs within the MEYS, as the MEYS is implementing a number of externally funded projects. For the purposes of the proposed World Bank project, the fiduciary aspects of this project will be managed by an existing PCU currently at the MFPD.

The recommendation to use the existing PCU in the MFPD to manage the fiduciary aspects of the proposed project (both financial management and procurement activities) was made for two reasons: (i) the MEYS has relatively little experience with managing fiduciary aspects of donor-funded projects, hence considerable work would be needed to meet the minimum Bank requirements for the financial management of the proposed project, and (ii) the PCU has experience in managing the fiduciary aspects of Bank projects (through its involvement with

the Emergency Recovery and Disaster Management projects). Therefore, this arrangement utilizes the existing resources and expertise in Bank-financed projects in St. Vincent and the Grenadines, in particular with respect to financial management and procurement, which are two critical activities of any project.

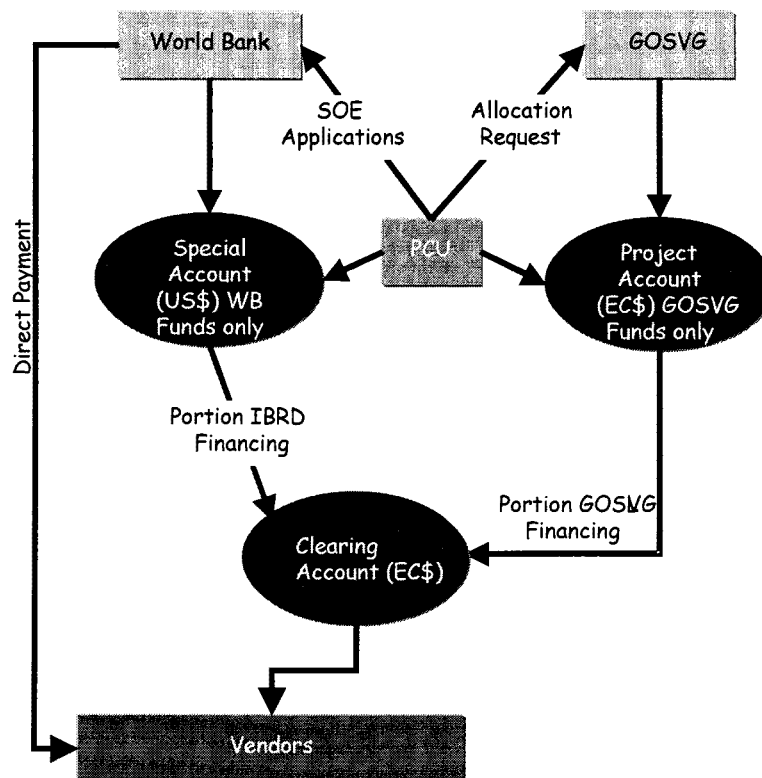
The financial management aspects of the proposed project will be managed centrally by the PCU, as detailed in the flow of funds section below.

**Flow of Funds.** The Flow of Funds calls for the loan/credit funds to be channeled to the project through a Special Account denominated in US Dollars to be established by the PCU in a commercial bank.

The PCU will also operate a Project Account for the purpose of receiving counterpart funds from the Government of St. Vincent and the Grenadines (GOSVG), which will be maintained in a commercial bank.

To facilitate local currency payments, the PCU will operate a local currency account (zero balance account), which will receive transfer of funds from the Special Account to cover the portion of payments eligible for IBRD financing, and from the Project Account to cover the portion of payments eligible for Government financing at the time of payment to suppliers.

Figure 1: Flow of Funds



For the proposed project, counterpart funding will be provided by the GOSVG under capital projects. The Government has indicated that counterpart funding will be provided under the Ministry of Education's overall budget and will be transferred into the Project Account maintained by the PCU. Each year, the EPMU, in coordination with the PCU in the MFPD, will compile annual work plans for the project and submit a budget proposal to the appropriate Ministry. While counterpart funding has not been a problem in SVG in the past, confirmation was obtained that the proposed project will be included in the 2004 and 2005 budget estimates.

The PCU will execute all payment orders on behalf of the proposed project. Therefore, the PCU will carry out the procurement activities for services and/or goods in accordance with Bank procurement guidelines and will make payments to vendors for specific eligible expenditures incurred by the implementing ministry, upon receiving requests. This arrangement will not require additional accounts for Bank funds, as all financial transactions will flow directly from the PCU's Special Account.

**Accounting and Reporting.** The PCU will be responsible for producing the Financial Monitoring Reports (FMRs) on a quarterly basis to be submitted to the Bank, only for monitoring purposes. The FMRs will include a narrative outlining the major project achievements for the quarter, the project's sources and uses of funds, a detailed analysis of expenditures by sub-component, a physical progress report, a procurement report and a procurement table. FMRs should be submitted to the Bank no later than 45 days after the end of the reporting period.

The annual financial statements will include the project's sources and uses of funds, a detailed analysis of expenditure by sub-component, the schedule of SOEs presented during the year and a reconciliation of the Special Account. These reports will be prepared by the PCU and made available to the auditors after the end of the fiscal year.

**Audit Arrangements.** Under the proposed project, project financial statements would be audited annually. Annual project financial statements will be audited by independent auditors in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC) and in accordance with terms of reference (TORs), both acceptable to the Bank. Auditors should provide an audit opinion on project financial statements, and a report on internal controls. The project's annual audit report should be submitted to the Bank no later than 4 months following the end of the fiscal year (that is, by April 30).

**Disbursement Arrangements.** To facilitate disbursement under this project, proceeds of the credit/loan will be disbursed following project effectiveness to the US Dollar-denominated special account managed by the PCU. Disbursements will be made based on Statements of Expenditures (SOEs) submitted to the Bank periodically, but at least every six months.

**Budgeting Process.** An annual budget would be prepared by the EPMU, in coordination with the PCU, on the basis of annual investment plans from participating implementing agencies.

## Financial Management Action Plan

Area / Action	Expected date
<b>1. Flow of funds</b>	
1.1 PCU has opened the project bank accounts: the Special Account in US Dollars in the bank selected, and the Project Account in local currency in the bank selected.	By effectiveness
1.2 The Project Account has been opened and an initial amount to cover at least the first year of implementation has been deposited therein.	By effectiveness
<b>2. Staffing</b>	
2.1 Final TORs for new financial management staff have been submitted.	Before effectiveness
2.2 CV of selected person for the Administrative Assistant has been submitted to the Bank for no objection.	Before effectiveness
2.3 Administrative Assistant in the PCU has been appointed.	By effectiveness
<b>3. Accounting and internal control</b>	
3.1 Final Financial Management Procedures (part of the Operational Manual), including sections describing payment procedures, flow-of-funds, format of FMRs, disbursement procedures (based on SOEs), coordination with implementing ministries, procurement section and chart of accounts, have been approved by the Bank.	By effectiveness
<b>4. External audit</b>	
4.1 Final audit TORs and short list of firms have been submitted to the Bank for review and clearance.	After negotiations
4.2 Once the Bank clears the TOR and short list of auditor firms, proceed with bidding process and the appointment of the auditors.	By effectiveness
<b>5. Reporting</b>	
5.1 Draft FMR Format is submitted to the Bank.	By effectiveness
5.2 First FMR is submitted to the Bank.	45 days after the end of the first full quarter

**Supervision Plan.** Given the complex nature of the implementation arrangements and the uncertainty surrounding them, during the first year of implementation, an FM Specialist from the World Bank will need at least two staff weeks for FM supervision, which would include three separate missions and review of periodic financial reports. In subsequent years, the number of missions could be reduced to two missions per year.

**Allocation of Loan/Credit Proceeds (US\$)**

Category	Loan Amount (USD)	Credit Amount (SDR)	% of expenditures to be financed
(1) Works	1,440,000	1,015,000	65%
(2) Goods	490,000	345,000	80% Local expenditures; 100% foreign expenditures
(3) Consultants' Services	580,000	400,000	70% Local expenditures; 100% foreign expenditures
(4) Training	370,000	260,000	95%
(5) Extra-curricular Activities Grants	50,000	40,000	80%
(7) Fee	31,000		Amount due under Section 2.04 of this Agreement
(8) Unallocated	139,000	140,000	
<b>TOTALS</b>	<b>3,100,000</b>	<b>2,200,000</b>	

## **Annex 8: Procurement**

### **St. Vincent and the Grenadines: OECS Education Development Project**

#### **8.1 Procurement Guidelines**

Procurement for the Project will be carried out in accordance with World Bank "*Guidelines: Procurement Under IBRD Loans and IDA Credits*", published in January 1995 (revised January/August 1996, September 1997, January 1999, November 2003, and published May 1<sup>st</sup> 2004); and "*Guidelines: Selection and Employment of Consultants by World Bank Borrowers*" published in January 1997 (revised in January 1999 and September 1999, May 2002, November 2003 and published May 1<sup>st</sup> 2004), and the provisions stipulated in the Loan Agreement.

#### **8.2 Procurement Methods**

The methods to be used for the procurement described below, and the estimated amounts for each method, are summarized in Tables A and A1. The threshold contract values for the use of each method are fixed in Table B.

##### **8.2.1 *Procurement of Works***

Works procured under this project will include construction and rehabilitation works in secondary schools in St. Vincent (construction and other necessary works in the completion of a secondary school at Belair in the Calliaqua district) and the Grenadines and other extension works on the centrally located Resource Centre for teachers and education, literacy and curriculum officers in St. Vincent. Work contracts will be procured in accordance with the procurement guidelines of the World Bank. Works estimated to cost more than US\$1.0 million per contract will be procured following International Competitive Bidding procedures (ICB) using the Bank's standard bidding documents. Works estimated to cost less than US\$1.0 million per contract will be procured following National Competitive Bidding procedures (NCB) using standard bidding documents agreed in advance with the Bank. Small works estimated to cost less than US\$150,000 equivalent per contract may be procured on the basis of at least three quotations received in response to a written invitation, which will include a detailed description of the works, basic specifications, the required completion date, a basic form of agreement acceptable to the Bank, and relevant drawings, where applicable. The country's threshold for contracts that do not require Central Supplies Tenders Board approval is EC\$20,000.00.

##### **8.2.2 *Procurement of Goods***

Goods procured under this project will include furniture, equipment and/or materials for the new secondary school in Belair (including labs and a Library Information Center), school library information centres, classroom libraries, the centrally located Resource Centre and the student-led extra-curricular activities. To the extent possible, contracts for these goods will be grouped into bidding packages of US\$150,000 equivalent or more and procured following International Competitive Bidding (ICB) procedures, using Bank-issued Standard Bidding Documents. Contracts with estimated values below this threshold per contract may be procured using NCB procedures and standard bidding documents agreed with the Bank. Contracts for goods which cannot be grouped into larger bidding packages and estimated to cost less than US\$25,000 per contract, may be procured using shopping (National /International) procedures based on a model request for quotations satisfactory to the Bank.

The country's threshold for contracts that do not require Central Supplies Tenders Board approval is EC\$20,000.00.

### **8.2.3 Selection of Consultants**

Major consulting services will be contracted under this project in the following areas of expertise: Technical Assistance for EPMU/PCU and Senior Management, feasibility studies, geotechnical studies, architectural designs and supervision of works, development of curricula and related training programs, improvement of student evaluation, identification and addressing of literacy and numeracy needs in schools, provision of training for teachers and principals, and other management policy and monitoring activities to be defined during the first year of project implementation. These services will be procured using the Bank Standard Request for Proposals when hiring firms. Minor consulting services may be used for student-led extra-curricular activities.

**Firms:** All contracts for firms will be procured using Quality and Cost-Based Selection (QCBS), except for simple contracts estimated to cost US\$100,000 equivalent or less that will be procured using other methods such as Consultants Qualifications (CQ). Contracts for auditing services may be procured using Least Cost Selection (LCS) or QCBS.

**Individuals:** Specialized advisory services (that meet the requirements of paragraph 5.1 of the Guidelines) will be provided by individual consultants selected by comparison of qualifications of three candidates and hired in accordance with the provisions of paragraphs 5.1 through 5.4 of the Consultant Guidelines.

**Training:** Training activities will include: cost of tuition, material and traveling for overseas, post-graduate and distance training of teachers and guidance counselors; cost of venue, food, materials and traveling to provide and/or attend local training seminars on new curricula, student evaluation and other relevant topics as well as participation in Bank/DFID missions. To the extent possible, training and relevant consultants' services will be procured following shopping procedures or consultants selection (CQ or IC) as appropriate.

### **8.3 Recurrent costs**

Sundry items, office rental, utilities, and other operational costs will be financed by the Government.

### **8.4 Prior Review Thresholds**

The proposed thresholds for prior review are based on the procurement capacity assessment of the MEYS and the EPMU/PCU and are summarized in Table B. Arrangements for prior review of the procurement processes are described above under Procurement Methods. In addition to this prior review of individual procurement actions, the plan and budget for the EPMU/PCU Operating Costs will be reviewed and approved by the Bank annually.

### **8.5 Assessment of the Borrower's Capacity to Implement Procurement**

The following implementation arrangements were agreed upon with the Ministry of Education, Youth and Sports (MEYS) and the Ministry of Finance, Planning and Development (MFPD) for the implementation of the OECS Education Development project:

- There will be a centralized Education Project Management Unit (EPMU) responsible for managing the implementation of external donor interventions in the education sector, including the proposed project. The EPMU will include a Project Coordinator (already in place) and a Project Manager for each externally funded project. While the unit will remain under the MFPD, it will provide some synergy among the various externally funded education projects and will be the technical arm of the implementing unit.
- For the purposes of the World Bank-financed project, the EPMU will utilize the services and expertise of the financial management and procurement specialist from the existing unit in the MFPD (PCU currently responsible for managing the ERP and ERDP projects), strengthened by additional staff (hiring of a procurement assistant/officer and other staff as recommended by the capacity assessment).

An assessment of the Borrower's capacity to implement the project and the relevant procurement processes was carried out by the Bank in March 2004 and the relevant report was filed on April 15, 2004. The assessment reviewed the organizational structure of the proposed Project (MEYS/MFPD/EPMU/PCU) and proposed a plan of actions to be carried out by appraisal, negotiations and effectiveness (see effectiveness actions below). The Borrower submitted for the Bank's review the draft TORs for all the EPMU/PCU staff.

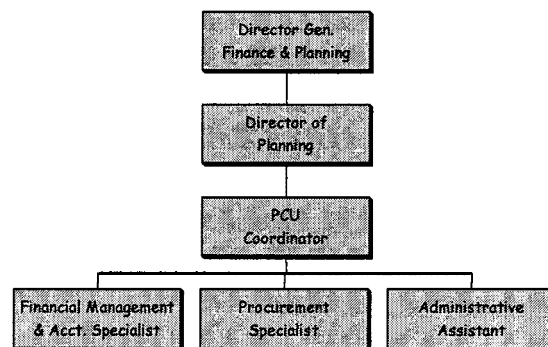
#### **8.5.1 Implementing Entity/Implementation Arrangements**

The composition, role and responsibilities of the EPMU and the implementation arrangements are fully described in Annex 7.

#### **8.5.2 PCU Staffing**

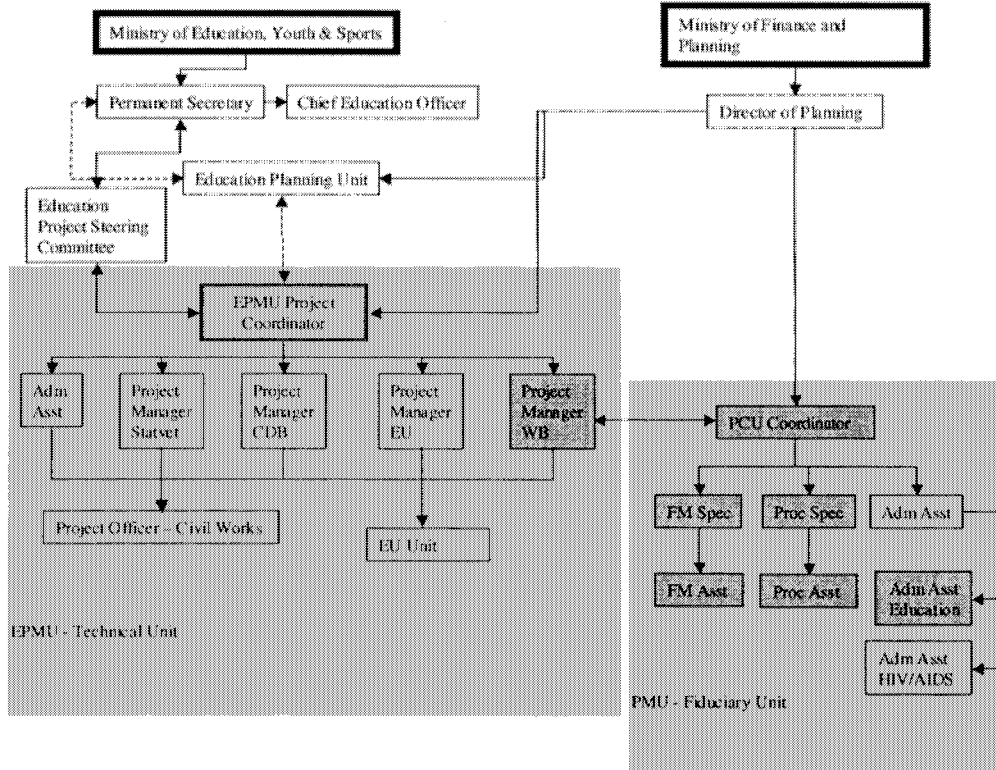
The existing PCU in the MFPD, which manages two World Bank projects, namely the Emergency Recovery and Disaster Management projects, will be responsible for the fiduciary activities of the project. Currently, the staff in the PCU includes a PCU Coordinator, a Financial Management and Accounting Specialist, a Procurement Specialist and an Administrative Assistant (as depicted in the organizational chart below).

*Figure 1: Current PCU Organizational Chart*



Therefore, the PCU already has a core team with adequate skills to fulfill the procurement, accounting and reporting needs of the project. To enable the PCU to handle the added workload of the proposed project, staffing in the PCU will be strengthened with the addition of an Administrative Assistant for the OECS Education Project. An Assistant Accountant, a Procurement Assistant/Officer, and an Administrative Assistant-HIV/AIDS will be added for the HIV/AIDS project. The Education Development and HIV/AIDS projects will share financing of the Assistant Accountant and Procurement Assistant/Officer.

Figure2: Proposed EPMU/PCU Organizational Chart



### 8.6 Bid Evaluation

For contracts in excess of EC\$20,000 (works, goods and consultancies), the Public Tenders Board will exercise its powers of review and approval as required by law. Contracts estimated to cost less than those amounts will be undertaken by the PCU. Officers outside of the Unit with expertise in the bidding process or the goods, works or services being procured may be invited to be on the evaluating committee to evaluate a particular package. In all cases, the evaluation procedure shall be acceptable to the Bank.

### 8.7 Procurement Plan

The Borrower has developed a preliminary procurement plan for project implementation that provides the basis for the aggregate amounts for the procurement methods (per Table A). The submitted procurement plan will be reviewed by the Bank and annexed to the Legal Agreement. At the beginning of each calendar year (or whenever required under Appendix 1 to the Bank's Guidelines), the Borrower will update the Procurement Plan with a detailed

procurement schedule for the coming year. Prior to the issuance of any invitations to bid for contracts, the procurement plan for the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraphs 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with the approved procurement plan.

#### **8.8 Frequency of Procurement Supervision**

The project will receive a minimum of one full supervision mission to carry out post review of procurement actions every six months during the first two years and every 12 months afterwards. Based on the overall risk assessment (HIGH) the post-review field analysis should cover a sample of not less than 1 in 5 contracts signed. A procurement audit should be carried out every year.

#### **8.9 Risk assessment**

The national legislation on procurement dates back to the early 1970's. The Government intends to update the procurement regulations attached to the new Financial Act. Such regulations should determine the new thresholds for review by the Central Tenders Board (CTB) as well as the CTB powers and procedures mandated by the law. The Bank has expressed interest in providing assistance in drafting the new regulations in accordance with internationally recognized standards. The national practices and bidding documents (based on the engineering experience of the UK from the '60) also should be improved to allow for increased efficiency and economy. The country has acquired increased experience working with International Financing Institutions (EU, IADB, WB, CDB and other donors) over the last ten years.

The risk assessment of procurement implementation for this project is considered **AVERAGE**. The PCU (currently in the MFPD, where the Chairman of the CTB is also based) has demonstrated satisfactory performance. The selection of qualified EPMU staff, together with a qualified procurement specialist and procurement officer/assistant in the PCU, should guarantee good project implementation. The Bank will provide ongoing support as well. This assessment is strictly tied to implementation by the Borrower of the proposed action plan below and can be improved to "low" if the Borrower demonstrates highly satisfactory performance during the first 18 months and pending positive results of the first audit.

#### **8.10 Action Plan:**

An Action plan was agreed upon with the Borrower, delineating the activities to be carried out by appraisal, negotiations and effectiveness. The following items are those required for effectiveness:

- Appointment of a Project Manager (WB's education project) and a Project Officer – Civil Works (Ministry of Works).
- Hiring of a full time procurement assistant/officer to assist the PCU staff. This expert will work under coordination of the present Procurement Specialist of the PCU, who will be responsible for training the newly recruited person, if needed. The expert should have procurement expertise to support, among others, the processes of hiring individual consultants, procuring specialized goods, procuring large and small works and supervision of works.
- Hiring of FM staff and administrative assistant.

- Proper training plan for all the EPMU/PCU staff to span the first 18 months of project implementation.
- Establishment of a procurement filing system satisfactory to the Bank.
- Final detailed procurement plan (to cover at least the first 18 months of implementation) (was agreed upon during negotiations and annexed to the Legal Agreement, but may require adjustments, depending on when the project becomes effective).
- Preparation by the EPMU/PCU of the final operations manual with a specific chapter on procurement detailing all the procedures and channels of responsibilities and flow of documentation.
- Preparation by the EPMU/PCU of draft standard bidding documents for all processes.
- Specifications and TORs for contracts to be signed during the first 12 months.

## 8.11 Procurement Tables

Table A: Project Costs by Procurement Arrangements <sup>a/</sup>  
(US\$ million equivalent)

Expenditure Category	Procurement Method				Total Cost (including contingencies)
	ICB	NCB	Other	N.B.F	
Works	3.46 (2.32)	0.41 (0.27)	0.40 <sup>b/</sup> (0.27)		4.27 (2.86)
Goods	0.40 (0.40)	0.30 (0.24)	0.61 <sup>c/</sup> (0.36)		1.31 (1.00)
Consultant Services <sup>d/</sup>			1.60 (1.20)	0.60 (0.00)	2.20 (1.20)
Training services <sup>e/</sup>			1.06 (1.00)	0.20 (0.00)	1.26 (1.00)
Extra-curricular activities grants <sup>f/</sup>			0.16 (0.13)		0.16 (0.13)
Recurrent Costs				0.31 (0.00)	0.31 (0.00)
Front end fee					
			(.031)		(.031)
Total	3.86 (2.72)	0.71 (0.51)	3.83 (2.99)	1.11 (0.00)	9.50 (6.20)

<sup>a/</sup> Figures in parentheses are the amounts to be financed by the World Bank Loan/Credit. DFID funding is reflected in the N.B.F. (not Bank financed) column under Consultant Services and Training services. All costs include contingencies.

<sup>b/ and c/</sup> Includes civil works and goods to be procured through national shopping, consulting services, services of contracted staff of the project management office, training, technical assistance services, and incremental operating costs related to (i) managing the project, and (ii) re-lending project funds to local government units.

<sup>d/ and e/</sup> See Table A1 below

<sup>f/</sup> Extra-curricular activities grants refer to funds to be transferred to schools to carry out student-led extra-curricular activities. Eligible activities and procedures for preparation, evaluation and approval of proposals are included in the Operational Manual. Approximately US\$3,000 is allocated to each secondary school per year during Years 2, 3 and 4 of the Project. Schools will receive training in the procurement of goods (under shopping procedures) and services (under individual consultants) to carry out said activities, as well as the accounting and filing procedures. Exceptions to the above procedures (such as direct contracting for goods and single source contracting of consultants) would be permitted only with the Bank's prior review.

Table A1: Training and Consultant Selection Arrangements (US\$ million equivalent)

Consultant Services Expenditure Category	Selection Method							Total Cost (including contingencies)
	QCBS	QBS	SFB	LCS	CQ	Other	N.B.F.	
A. Firms	0.25 (0.18)			0.05 (0.04)	0.26 (0.20)			0.56 (0.42)
B. Individuals						2.42 (1.80)	0.80 (0.00)	2.90 (1.80)
Total	0.25 (0.18)			0.05 (0.04)	0.26 (0.20)	2.42 (1.80)	0.80 (0.00)	3.46 (2.22)

Note: QCBS = Quality- and Cost-Based Selection

QBS = Quality-based Selection

SFB = Selection under a Fixed Budget

LCS = Least-Cost Selection

CQ = Selection Based on Consultants' Qualifications

Other = Selection of individual consultants (per Section V of Consultants Guidelines), Commercial Practices, etc.

N.B.F. = Not Bank-financed.

Figures in parenthesis are the amounts to be financed by the Bank loan.

Table B: Thresholds for Procurement Methods and Prior Review<sup>1</sup>

Expenditure Category	Contract Value (Threshold) US \$ thousands	Procurement Method	Contracts Subject to Prior Review US \$ millions
1. Works	> 1,000	ICB	All
	< 1,000 -> 150	NCB	All above 400, none below
	< 150	Three Quotations	None
2. Goods	>150	ICB	All
	< 150 - 25	NCB	None
	< 25	Shopping	None
3. Consultants Firms	> 100	QCBS	All
	< 100	Irrespective of method	TOR
Individuals	> 50	Three candidates	All (TOR, contract, CV)
Section V of Guidelines	< 50	Three candidates	(TOR

<sup>1</sup>Thresholds generally differ by country and project. Consult OD 11.04 "Review of Procurement Documentation" and contact the Regional Procurement Adviser for guidance.

Total value of contracts subject to prior review: as detailed in the Procurement Plan.

## **Annex 9: Economic and Financial Analysis**

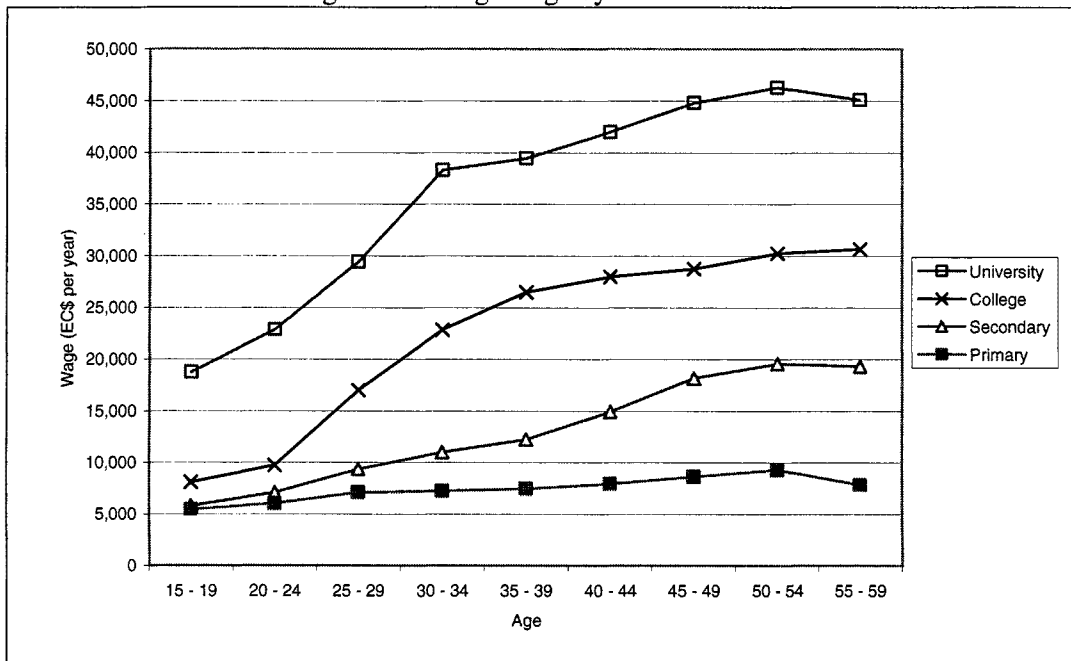
### **St. Vincent and the Grenadines: OECS Education Development Project**

#### **Economic analysis**

Education is fundamental to a human being's productivity and economic value and contributes to the wealth of a nation. Figure 1 shows just how crucial education is in St. Vincent and the Grenadines for future labor market income. This project proposes to exploit these high returns by: (i) investing in the segment of the young population that thus far has been prevented from reaping this return due to capacity constraints. Component 1 aims to increase enrolment by 750 pupils; (ii) improving learning among all pupils to enhance learning and future productivity, thereby increasing the average earning for graduates of secondary education. The goal in Component 2 is to train 80 teachers, along with other quality-enhancing activities, to seek to improve the CXC pass rate by 15 percent and reduce repetition from 10% to 7%; (iii) strengthening management of the education system, leading to higher efficiency in the execution of the education budget (in component 3). The project targets an increase in the pupil teacher ratio from 18 to 21. These targets are conservatively set in conjunction with the Government's goals. They can realistically be reached within the timeframe of the project. The analysis quantifies the benefits of each component over a 20-year time horizon (the expected length of the school buildings without major rehabilitation) and subsequently compares them with the overall costs.

The main finding is that the project is economically sound, since it will cost US\$13.4 million (US\$9.5 million in investment costs and US\$3.9 million in recurrent costs) over the analyzed 20-year horizon and will bring benefits valued to US\$18.0 million. This corresponds to a rate of return of 34%.

Figure 1 Average wage by education level



Source: National census 2001 from Ministry of Planning and Finance, GOSVG

Note: Compared to a 50-year old worker with primary education, an individual of similar age with secondary education or a college or university degree earns 211%, 326%, and 499% more. These large income differences translate into high private rates of return to education in SVG. Using the internal rate of return method with opportunity costs of EC\$10,800 for secondary, EC\$17,400 for college and EC\$38,800 for university, the rate of returns for secondary, college and university are 15%, 24% and 19% respectively. From an international perspective, these returns are high and probably reflect that there is a high demand for skills in the domestic economy that the education system has not been able to supply in the past.

### 1. Benefits from increased access (component 1)

In this section we carry out an economic assessment of the (net present) value of the investment for construction of a school to allow 750 additional students to access secondary education. The time horizon is 20 years starting in 2004. The building is expected to increase enrolment three years later, in 2008, with the first additional increase in number of pupils graduating in 2013. From thereon, the number of graduates per year will permanently be raised by 109 pupils, assuming 9% of a class repeats (fixed conservatively above the project's target rate). Over the time span of the analysis (2005-2025), the expansion will lead to an additional 1,474 graduates of secondary education.

The graduates will, on average, earn EC\$8,500 (in constant 2002 prices) more than the typical graduate of primary school over their period of active labor market participation (assuming 10% discount rate, forgone earnings of EC\$10,800 during the school period, no difference in the unemployment rate between workers with primary and secondary diploma, and a retirement age of 65 years). Discounting the stream of income from the increased production of graduates with a discount rate of 10%, the direct economic benefit of the increased access component will be US\$4.7 million (EC\$12.5 million). *See Table 1.*

## 2. Benefits from enhanced quality of education (component 2)

The project will undertake the following quality enhancing interventions: (i) upgrading of teacher skills and standards, in line with a teacher appraisal system; (ii) curricula development; (iii) improved literacy support, and (iv) improved student support services. These project activities have in other countries proven to be effective interventions, enhancing quality of instruction. Consequently, they are expected to lead to increased learning among secondary pupils in SVG. Greater knowledge and higher learning ability of pupils will: (a) improve the CXC pass rate of graduates and (b) reduce repetition among pupils in secondary education.

(a) Benefits from improvements in learning (CXC passes). Quality of schooling significantly improves the earning power of a graduate. Just how much quality influences income is uncertain in the case of SVG due to insufficient data. This subsection proposes to apply impact estimations from St. Lucia to assess the benefits of the proposed investments in quality. Given that the wage-structure on the labor market in St. Lucia bears resemblance to the prevailing one in SVG, the extrapolation seems reasonable. By estimating education production functions for St. Lucia (reported in Table 2A), Di Gropello (2003) finds that a 1%-point increase in the proportion of trained teachers is associated with an increase of about 0.7%-point increase in the CXC passing rate. We apply a conservative estimate of 0.35%-point, hence half of the estimated impact for St. Lucia.

The training activities of this project foresee the training of approximately 80 uncertified teachers to certification level during the period of the project. This will imply a 21 percentage-point increase in the share of trained teachers (from 156 to 236 trained teachers out of a total 437 teachers in 2003). The increased preparedness of the teacher force would, using the estimated impact from St. Lucia, improve the CXC pass rate in SVG by about 15 percentage points. We calculate the benefits from a conservative goal of improvement in the CXC pass rate by 7.5 percentage points. This increase implies a higher proportion of students passing one or more CXC exams, which is related to higher earnings using the evidence presented in Table 2B and some specific assumptions.<sup>4</sup> The increase in pass rate implies an approximately 1 percent increase in the discounted average income associated with completed secondary education. Over the working life (45 years), this seemingly small difference accumulates to EC\$1,800 (fixed 2002 prices). This quality premium will accrue to each cohort of graduates in the next 20 years (see Table 2B). In 2004-prices, the accumulated income gain reaches US\$4.1 million (EC\$10.9 million).

(b) Benefits from a reduction in repetition. It is expected that the investments in student support services, support to school development plans and training of principals will improve quality of instruction and enhance pupils' interest in learning. All other things being equal, these programs will translate into a reduction in the repetition rate. In 2003, repetition in secondary education was high (10%). This project aims to reduce repetition from 3% to 7%, while concurrently increasing

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<sup>4</sup> The specific assumptions are: (a) 10 percent of all students pass one more exam; (b) the increase in the passing rate increases are distributed proportionally to the current distribution across the four CXC categories recorded in Table 3A; and (c) the proportional earning increase obtained on the 17-45 population is assumed to hold for the whole 17-65 population.

learning among pupils. This presents a significant challenge since the increased intake of pupils from primary education are academically the least prepared and thus are expected to be more prone to repetition unless these less-prepared pupils receive additional, tailored attention from the system (to be provided by trained guidance counselors and enhanced literacy programs). Reducing the repetition rate from 10 percent to 7% implies that an additional 3% of the student population advances every year. At the yearly per pupil costs in 2001 of EC\$ 1,533 (US\$572), the discounted savings accumulate to US\$1.4 million (EC\$3.8 million). *See Table 2C.*

Furthermore, the planned activities are expected to have other benefits, notably a reduction in drop-out rates, increased access to post-secondary education, reduced crime, raised motivation and learning of under-performing pupils in primary education, and diluted economic and social inequalities in society. Although these benefits could be of non-negligible magnitude, this analysis will not attempt to quantify the gains due to lack of information.

### **3. Benefits from improved management**

The activities financed under the management component (strengthening the capacity of the MEYS, enhancing management capacity at the school level, reviewing and upgrading the legislative framework) are expected to lead to a more coherent, efficient, results-oriented and regionally integrated education system. This will have a significant impact on the effectiveness of the entire investment into education in SVG. One of the main policy goals of this component is the raising of the pupil-teacher ratio (PTR) in secondary education. In 2003, there were an average of 18 pupils per teacher in the secondary system. Gradually increasing the PTR to 21 - which would be within the PTR of 30 which was agreed upon between the GOSVG and the SVG Teachers' Union - would save the public education budget US\$7.8 million (EC\$20.9 million). *See Table 3.*

### **4. Total costs and benefits**

The project costs consist of capital expenditures and additional recurrent expenditures over the time horizon of this cost-benefit analysis. Table 4 summarizes the main benefits and costs associated with the project. Overall, a successful implementation and continued sustainability of the project would result in a US\$18.0 million benefit for a total cost of US\$13.4 million. This implies a net present value of the investment of 34%. In particular, the benefits from greater efficiency are associated with significant gains with little cost since this component aims to increase efficiency of the entire investment into education.

## **6. Main assumptions and sensitivity analysis**

### **Main assumptions:**

The cost-benefit analysis relies on the following main assumptions:

- Net present value of secondary education EC\$8,500 per graduate (calculated from SVG Census 2001)
- Repetition rate at 9 percent (10% in 2003 and expected to decline below 9% during the course of the project)
- A 1%-point increase in the share of trained teachers increases the CXC pass rate by 0.35%-point (By estimating education production function in neighboring St. Lucia, Di Gropello (2003) finds that 1%-point increase in the share of trained teachers is

statistically significantly related to an increase in CXC pass rate by 0.7%-point, hence the doubling of the assumed impact.)

- Cost of teaching one secondary education pupil for one year: EC\$1,533 (computed from SVG government administrative data in 2001)
- Average salary of a secondary teacher in SVG: EC\$37,000 per year. (The salary level in 2003 of a trained, experienced teacher in the salary category: Teacher V)
- Discount rate of 10%.

**Sensitivity analysis:**

The sensitivity analysis focuses on the relative impact of each of the targets on the cost-benefit return. The low impact scenario calculates the benefits from a 25% reduction in the impact of the proposed project activities, while the high case scenario computes gains from a 25% higher impact. The results are displayed in Table 5. It shows that the high economic gains from the project do not rely on the accomplishment of one single target, but rather are a combination of access, quality and efficiency in the provision of secondary education. The gains from each component account for almost the same impact and show the same level of sensitivity.

**TABLE 1 BENEFITS FROM INCREASED GRADUATE PRODUCTION**

Year	Additional Graduates	Value of Sec. education	Value of graduates (EC\$)
2005	0	9,350	0
2006	0	10,285	0
2007	0	11,314	0
2008	0	12,445	0
2009	0	13,689	0
2010	0	15,058	0
2011	0	16,564	0
2012	55	18,221	994,604
2013	109	20,043	2,188,130
2014	109	22,047	2,406,943
2015	109	24,251	2,647,637
2016	109	26,677	2,912,401
2017	109	29,344	3,203,641
2018	109	32,279	3,524,005
2019	109	35,507	3,876,405
2020	109	39,057	4,264,046
2021	109	42,963	4,690,450
2022	109	47,259	5,159,495
2023	109	51,985	5,675,445
2024	109	57,184	6,242,989
2025	109	62,902	6,867,288
<b>Total</b>	<b>1474</b>		
<b>Net Present Value</b>			<b>EC\$ 12,527,737</b> (US\$ 4.67 million)

Note: assumptions: (i) repetition rate at 9%; (ii) net present value of secondary education EC\$ 8,500 per graduate; (iii) discount rate of 10%.

**TABLE 2A. THE ROLE OF CXC PASSES IN YEARLY WAGE (ESTIMATES FROM ST. LUCIA)**

	Discounted average yearly wage (EC\$)	Population 16 years and older who have completed secondary education by CXC educational achievement (%)	Population 16 years and older who have completed secondary by CXC educational achievements <u>after quality-enhancing measures increase pass rate by 7.5 percentage points</u> (%)
Completed secondary with no CXC passes	5,000	16	14.8
1-2 CXC passes	5,588	26	25.3
3-4 CXC passes	5,807	36	35.3
5+ CXC passes	6,141	22	24.7
Weighted mean income	5,694	5,694	5,715

Note: The discounted yearly wage is estimated based on the yearly wage of 17-45 year  
Source: Processed from the St. Lucia Labor force survey (2000) and St. Lucia MED (2000)

**TABLE 2B IMPACT OF INCREASED CXC PASS RATE**

	Graduates from Secondary Education	Gain per year (current EC\$ prices)
2004	1200	1,098,603
2005	1200	1,098,603
2006	1200	1,098,603
2007	1200	1,098,603
2008	1260	1,153,533
2009	1320	1,208,463
2010	1380	1,263,393
2011	1440	1,318,324
2012	1500	1,373,254
2013	1500	1,373,254
2014	1500	1,373,254
2015	1500	1,373,254
2016	1500	1,373,254
2017	1500	1,373,254
2018	1500	1,373,254
2019	1500	1,373,254
2020	1500	1,373,254
2021	1500	1,373,254
2022	1500	1,373,254
2023	1500	1,373,254
2024	1500	1,373,254
2025	1500	1,373,254
<b>Net Present Value</b>		<b>EC\$10,863,495</b> (US\$ 4.05 million)

Note: Assumptions: (i) Discount rate is 10%

**TABLE 2C BENEFITS OF A 3 PERCENTAGE POINT REDUCTION IN REPETITION**

	Enrolment in secondary	Unit costs (EC\$)	Reduction in repetition (%)	Savings (EC\$)
2004	8040	1,579	0	0
2005	8040	1,626	1	130,756
2006	8040	1,675	1.5	202,018
2007	8640	1,725	2	298,142
2008	9240	1,777	2.5	410,515
2009	9840	1,830	3	540,344
2010	9840	1,885	3	556,555
2011	9840	1,942	3	573,251
2012	9840	2,000	3	590,449
2013	9840	2,060	3	608,162
2014	9840	2,122	3	626,407
2015	9840	2,186	3	645,199
2016	9840	2,251	3	664,555
2017	9840	2,319	3	684,492
2018	9840	2,388	3	705,027
2019	9840	2,460	3	726,177
2020	9840	2,534	3	747,963
2021	9840	2,610	3	770,402
2022	9840	2,688	3	793,514
2023	9840	2,769	3	817,319
2024	9840	2,852	3	841,839
<b>Net Present Value</b>				<b>(EC\$ 3,837,522)</b> <b>(US\$1.43 million)</b>

Note: Assumptions: (i) Discount rate is 10% and (ii) the analysis assumes a per pupil cost of US\$572, the cost in 2001, which will grow at a rate of 3%.

**TABLE 3 EFFICIENCY GAINS FROM INCREASING THE TEACHER-PUPIL RATIO TO 21**

	Enrolment in secondary	Required N# of teachers with a PTR=18	New policy: gradually implementing a PTR=21	Req N# teachers under new policy	Dif. in teachers	Salary savings (EC\$)
2004	8040	447	19	423	24	869,825
2005	8040	447	20	402	45	1,652,667
2006	8040	447	20	402	45	1,652,667
2007	8640	480	21	411	69	2,537,143
2008	9240	513	21	440	73	2,713,333
2009	9840	547	21	469	78	2,889,524
2010	9840	547	21	469	78	2,889,524
2011	9840	547	21	469	78	2,889,524
2012	9840	547	21	469	78	2,889,524
2013	9840	547	21	469	78	2,889,524
2014	9840	547	21	469	78	2,889,524
2015	9840	547	21	469	78	2,889,524
2016	9840	547	21	469	78	2,889,524
2017	9840	547	21	469	78	2,889,524
2018	9840	547	21	469	78	2,889,524
2019	9840	547	21	469	78	2,889,524
2020	9840	547	21	469	78	2,889,524
2021	9840	547	21	469	78	2,889,524
2022	9840	547	21	469	78	2,889,524
2023	9840	547	21	469	78	2,889,524
2024	9840	547	21	469	78	2,889,524
<b>Net Present Value</b>						<b>EC\$20,852,971</b> (US\$ 7.78 million)

Note: average salary of a secondary education teacher is EC\$37,000 and discount rate is 10%

**TABLE 4 SVG OECS EDUCATION DEVELOPMENT PROJECT ECONOMIC COSTS AND BENEFITS**

	PV (US\$ million)
<b>Benefits:</b>	18.0
Increased Access	4.7
Improved Learning	4.1
Reduction in Repetition	1.4
Greater Efficiency	7.8
<b>Costs:</b>	(13.4)
Investment costs	(9.5)
Recurrent costs during the implementation period	(0.3)
after implementation	(3.6)
<b>Net Present Value</b>	<b>4.6</b>
<b>IRR</b>	<b>34 percent</b>

**Note:** Assumptions for the recurrent costs of teaching the additional 750 pupils in secondary education over the 20 year time span of the analysis: (i) a per pupil cost of US\$ 572 growing at 3 percent and (ii) discount rate at 10%. The recurrent costs after implementation relates to the costs of the pupils attending the newly constructed school.

**TABLE 5 SENSITIVITY ANALYSIS**

	Base line  Target	Low case (25% below the base-line target)			High Case (25% above base-line)		
		Low Target	Impact in US\$ million (from base case)	New rate of return (base line 34%)	High Target	Impact in US\$ million (from base case)	New rate of return (base line 34%)
Increase in graduate production	1474 new graduates	1105 new graduates	-1.2	25%	1805 new graduates	1.2	43%
CXC rate	7.5% improvement	5.6% improvement	-1.0	27%	9.4% improvement	1.0	42%
Repetition	7% (3%-point reduction)	7.8% (2.25%-point reduction)	-0.4	31%	6.3% (3.75%-point reduction)	0.4	37%
Pupil-teacher ratio	1:21 (increase by 3)	1:20.3 (increase by 2.25)	-1.6	22%	1:21.8 (increase by 2.25)	1.6	46%

### **Fiscal sustainability analysis.**

This fiscal sustainability analysis examines the following question: Can the Ministry of Education's budget shoulder the extra investments entailed in the project? The analysis stops short of a complete fiscal and debt analysis of the government's debt situation. Such an analysis is underway in connection with a public expenditure review for SVG, and this section builds upon analysis carried out for the public expenditure review within the area of education.

*Can the Ministry of Education shoulder the extra investments entailed in the project?* In the past, the GOSVG has placed a high priority on investments in education. From 1999 to 2002, the Government spent on average 7.2% of GDP on education. In comparison to OECD countries, which spend an average 4.6%, investment in SVG in education is very high. Both recurrent and capital expenditures have risen gradually over the last 7 years, although capital expenditures oscillated around a stable long-run average of 1.9%. Total expenditures in education in 2002 were US\$29.2 million (20.1 in recurrent expenditures and US\$9.1 million in capital expenditures). Capital expenditures include a considerable inflow of resources from donors (73% in 2003 and estimated to be 59% in 2004). The government's counterpart funding for the project will be about US\$800,000 per year on average. This corresponds to 3.1% of the estimated 2004 MEYS budget excluding external financing, which consists mainly of donor inflow (2.6% if we include resources from external financing). Counterpart funding in terms of the 2004 MEYS budget is estimated to amount to 24.6%, excluding external financing (10.1% if we include resources from external financing). In sum, the project requires that an important, but reasonable, share of the Ministry's budget will be devoted to the project. Since the project enjoys strong political support, it is firmly expected that the required budget will be allocated to the project.

Given the already high share of the Government's budget devoted to education, it is important from a sustainability point of view that the project increase the sector's efficiency. This is sought through two means: (i) increased number of pupils per teacher (planned to increase from 18 to 21) which would entail a yearly savings of US\$1.1 million; and (ii) reduction in repetition from 10% to 7%, which would yield savings of approximately US\$200,000 per year. These savings would be more than sufficient to sustain the proposed project activities beyond the life of the project. Realization of the efficiency targets are hence critical for the financial sustainability of the project.

## **Annex 10: Safeguard Policy Issues**

### **St. Vincent and the Grenadines: OECS Education Development Project**

This annex presents the details regarding the Safeguard Policies Triggered by the Project (Environmental (OP/BP/GP 4.01) and Cultural Property (OPN 11.03, being revised as OP 4.11) and the criteria and instruments to implement them.

#### **ENVIRONMENTAL ASSESSMENT AND CRITERIA**

The project will support the construction of one new secondary school and renovation of four other schools, along with the rehabilitation of a resource center. The sites have been selected based on the needs assessments carried out in the recent School Mapping and building analysis. A stand-alone Environmental Assessment (EA) was submitted to the Bank for review and was approved and publicly disclosed prior to the appraisal mission. The GOSVG followed the LAC Environmental Guidelines for Education Projects in the preparation of the EA. The Guidelines also will be used for monitoring of civil works components and will be distributed to potential contractors during the bidding process to monitor Environment and Cultural Property issues. There are no resettlement issues with the site selected for construction of the new school (*see Annex 4, 1.1. for further details on the school site*). There is no expectation that Cultural Property, as defined by OPN 11.03, will be encountered during construction. Nevertheless, the EA includes “chance finding” provisions if any such property is encountered.

**Annex 11: Project Preparation and Supervision**  
**St. Vincent and the Grenadines: OECS Education Development Project**

	Planned	Actual
PCN review	2 October 2003	2 October 2003
Initial PID to PIC		7 November 2003
Initial ISDS to PIC		7 November 2003
Appraisal	10 May 2004	10 May 2004
Negotiations	24 May 2004	24 May 2004
Board/RVP approval	29 June 2004	
Planned date of effectiveness	1 November 2004	
Planned date of mid-term review		
Planned closing date	30 December 2008	

Key institutions responsible for preparation of the project:

- ◆ Ministry of Education, Youth and Sports (MEYS) included MEYS staff and working groups of highly dedicated key stakeholders.
- ◆ Ministry of Finance, Planning and Development (MFPD) included the Education Planning Unit and the Education Project Management Unit.
- ◆ UK's Department for International Development (DFID) worked with the Bank team and provided funding for consultants. Marcellus Albertin (Education Programme Manager) was responsible for leading the DFID-funded efforts.

Bank staff and consultants who worked on the project included:

Name	Title	Unit*
Cynthia Hobbs	Education Specialist & Team Leader	LCSHD
William Experton	Sector Leader	LCSHD
Andreas Blom	Education Economist	
Aracelly Woodall	Program Assistant & Costing Specialist	LCSHD
Samia Benbouzid	Program Assistant	LCSHD
Guido Paolucci	Sr. Procurement Specialist	LCOPR
Fabienne Mroczka	Financial Mgmt. Specialist	LCOAA
Mariana Montiel	Sr. Legal Counsel	LEGLA
Edward Daoud	Sr. Finance Officer	LOAG3
Jacob Bregman	Lead Education Specialist	AFTH3
Juan Manuel Moreno	Sr. Education Specialist	HDNED
Rosa Puech	Education Specialist	Consultant
Wayne Gill	School Mapping Specialist	Consultant

- \* LCSHD: Latin America & Caribbean Human Development Department  
 LCOPR: Latin America & Caribbean Procurement Team  
 LCOAA: Latin America & Caribbean Auditing & Accounting Team  
 LEGLA: Latin America & Caribbean Legal Department  
 LOAG3: Latin America & Caribbean Financial Management and Disbursements  
 AFTH3: Africa Human Development 3  
 HDNED: Human Development Education Team

Bank funds expended to date on project preparation:

1. Bank resources: \$148,000.00
2. Trust funds: \$0
3. Total: \$148,000.00

Estimated Approval and Supervision costs:

1. Remaining costs to approval:
2. Estimated annual supervision cost: \$85,000



**Annex 12: Documents in the Project File**  
**St. Vincent and the Grenadines: OECS Education Development Project**

**World Bank Documents**

World Bank. Monitoring Educational Performance in the Caribbean (Report No. 24337). Washington, DC. 2003.

World Bank. Caribbean Youth and Social Inclusion. Washington, DC. 2002.

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**Other Documents**

Andrew, Max. The EFA 2000 Assessment: Country Reports. UNESCO. 2000.

Auer, Peter. Curriculum Report for the OECS Education Development Project (project preparation consultancy). May 2002.

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Blank, L. Youth-at-Risk in Jamaica (Note prepared for The World Bank). Washington, DC. 2000.

Caillods, Françoise and M.H. Maldonado-Villar. Secondary Education Issues in Latin America (Draft). UNESCO. 1996-2001.

Gill, Wayne. Consulting Services for Schools Mapping Project. St. Vincent and the Grenadines. 2003.

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Martin, Maeve. Teacher Education Report for the OECS Islands: St.Lucia, St.Kitts and Nevis, and Dominica (project preparation consultancy). September 2002.

Ministry of Education, Audit on the Management and Organization of the Ministry of Education. Grenada. 2000.

Ministry of Education, Youth and Sports. Education Sector Development Plan, 2002 to 2007. St. Vincent and the Grenadines. September 2002.

Mortimore, P. and J. Mortimore. Improving Educational Performance of At-Risk Youths, Institute of Education, University of London [no date].

OECS Education Reform Strategy: Pillars for Partnership and Progress 2010. OECS.

OECS Human Development Report 2002. Building Competitiveness in the Face of Vulnerability. OECS.

Sewell, Tony. Organization of Eastern Caribbean States, Education Development Project Youth at Risk Report (project preparation consultancy). July 2002.

West, Arnott. Extended EMIS for the OECS (Dominica, Grenada, St. Kitts and Nevis, St. Lucia: separate volumes) (project preparation consultancy). September 2002, May 2003.

**Annex 13: Statement of Loans and Credits**  
**St. Vincent and the Grenadines: OECS Education Development Project**

Project ID	FY	Purpose	Original Amount in US\$ Millions				Cancel.	Undisb.	Difference between expected and actual disbursements	
			IBRD	IDA	SF	GEF			Orig.	Frm. Rev'd
P069923	2002	VC Disaster Management	3.00	2.91	0.00	0.00	0.00	6.18	3.13	0.00
P076822	2002	St Vincent Emergency Recovery Project	0.96	2.24	0.00	0.00	0.00	2.02	0.56	0.00
Total:			3.96	5.15	0.00	0.00	0.00	8.20	3.69	0.00

**ST. VINCENT AND THE GRENADINES**  
**STATEMENT OF IFC's**  
**Held and Disbursed Portfolio**  
**In Millions of US Dollars**

FY Approval	Company	Committed IFC				Disbursed IFC			
		Loan	Equity	Quasi	Partic.	Loan	Equity	Quasi	Partic.
Total portfolio:		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

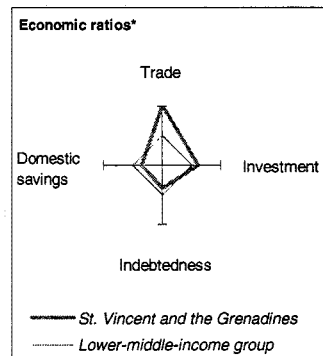
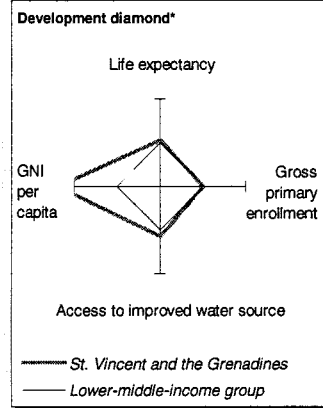
FY Approval	Company	Approvals Pending Commitment			
		Loan	Equity	Quasi	Partic.
Total pending commitment:		0.00	0.00	0.00	0.00



## Annex 14: Country at a Glance

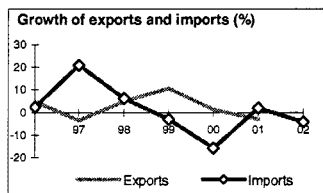
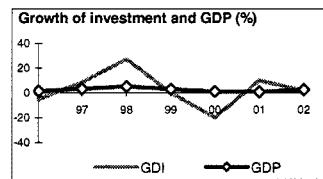
### St. Vincent and the Grenadines: OECS Education Development Project

	St. Vincent and the Grenadines	Latin America & Carib.	Lower-middle-income		
<b>POVERTY and SOCIAL</b>					
<b>2003</b>					
Population, mid-year (millions)	0.12	527	2,411		
GNI per capita (Atlas method, US\$)	3,300	3,280	1,390		
GNI (Atlas method, US\$ billions)	0.36	1,727	3,352		
<b>Average annual growth, 1997-03</b>					
Population (%)	0.9	1.5	1.0		
Labor force (%)	..	2.2	1.2		
<b>Most recent estimate (latest year available, 1997-03)</b>					
Poverty (% of population below national poverty line)	..	..	..		
Urban population (% of total population)	58	76	49		
Life expectancy at birth (years)	73	71	69		
Infant mortality (per 1,000 live births)	22	27	30		
Child malnutrition (% of children under 5)	..	9	11		
Access to an improved water source (% of population)	93	86	81		
Illiteracy (% of population age 15+)	..	11	13		
Gross primary enrollment (% of school-age population)	111	130	111		
Male	107	131	111		
Female	114	128	110		
<b>KEY ECONOMIC RATIOS and LONG-TERM TRENDS</b>					
	1982	1992	2002	2003	
GDP (US\$ billions)	0.09	0.23	0.36	0.37	
Gross domestic investment/GDP	27.9	24.3	30.1	..	
Exports of goods and services/GDP	58.9	59.3	49.2	47.3	
Gross domestic savings/GDP	-1.9	15.2	18.9	..	
Gross national savings/GDP	15.5	20.1	20.4	..	
Current account balance/GDP	-12.6	-11.3	-9.6	-16.2	
Interest payments/GDP	0.7	0.9	1.8	..	
Total debt/GDP	24.8	32.5	47.1	50.5	
Total debt service/exports	3.1	4.8	6.5	7.2	
Present value of debt/GDP	..	..	..	..	
Present value of debt/exports	..	..	..	..	
	1982-92	1992-02	2002	2003	2002-06
<i>(average annual growth)</i>					
GDP	6.0	1.8	0.9	2.7	..
GDP per capita	5.1	1.1	0.1	..	..
Exports of goods and services	5.1	1.2	-2.9	..	..



#### STRUCTURE of the ECONOMY

	1982	1992	2001	2002
<i>(% of GDP)</i>				
Agriculture	16.5	19.4	10.5	10.5
Industry	25.3	24.3	24.8	25.2
Manufacturing	10.9	9.5	5.8	5.3
Services	58.2	56.3	64.7	64.3
Private consumption	78.5	61.0	61.4	59.9
General government consumption	23.4	23.8	19.8	21.2
Imports of goods and services	88.7	68.4	61.1	60.3
	1982-92	1992-02	2001	2002
<i>(average annual growth)</i>				
Agriculture	6.5	-1.2	-10.0	9.6
Industry	6.2	1.9	5.8	1.1
Manufacturing	3.9	-2.2	-1.6	-8.0
Services	6.1	4.2	-0.2	0.2
Private consumption	5.2	1.2	1.6	-1.9
General government consumption	4.8	0.0	2.7	7.2
Gross domestic investment	6.3	3.7	9.9	1.9
Imports of goods and services	4.4	0.7	1.9	-4.2

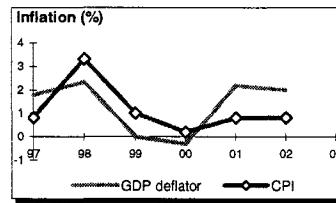


Note: 2003 data are preliminary estimates.

\* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

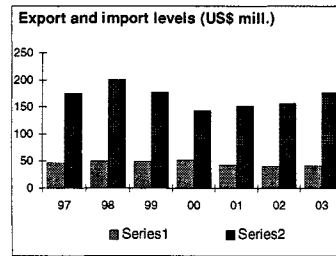
**PRICES and GOVERNMENT FINANCE**

	1982	1992	2002	2003
<b>Domestic prices</b>				
<i>(% change)</i>				
Consumer prices	7.3	3.3	0.8	..
Implicit GDP deflator	9.0	2.1	2.0	..
<b>Government finance</b>				
<i>(% of GDP, includes current grants)</i>				
Current revenue	..	25.7	35.1	35.3
Current budget balance	..	2.8	-4.2	-1.3
Overall surplus/deficit	..	-7.9	-4.1	-2.6



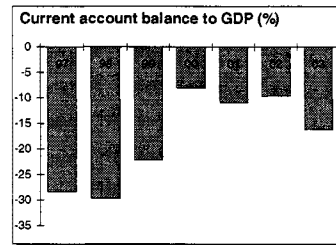
**TRADE**

	1982	1992	2002	2003
<i>(US\$ millions)</i>				
Total exports (fob)	..	70	40	42
Bananas	..	37	16	12
Eddoes and dasheens	..	3	-	..
Manufactures	..	22	15	14
Total imports (fob)	..	116	157	177
Food	..	27	..	..
Fuel and energy	..	9	..	..
Capital goods	..	21	..	..
Export price index (1995=100)	..	109	..	..
Import price index (1995=100)	..	100	..	..
Terms of trade (1995=100)	..	109	..	..



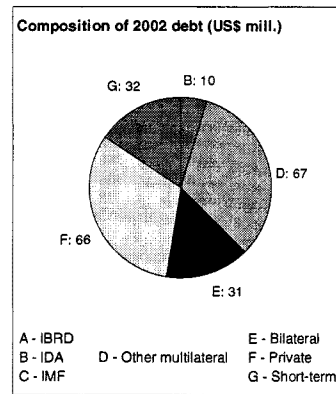
**BALANCE of PAYMENTS**

	1982	1992	2002	2003
<i>(US\$ millions)</i>				
Exports of goods and services	48	119	178	176
Imports of goods and services	74	157	218	241
Resource balance	-26	-38	-40	-66
Net income	-3	-7	-15	-15
Net current transfers	18	19	20	21
Current account balance	-11	-26	-10	-16
Financing items (net)	7	37	2	14
Changes in net reserves	4	-11	8	2
<b>Memo:</b>				
Reserves including gold (US\$ millions)	..	38	54	..
Conversion rate (DEC, local/US\$)	2.7	2.7	2.7	2.7



**EXTERNAL DEBT and RESOURCE FLOWS**

	1982	1992	2002	2003
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	21	76	206	..
IBRD	0	0	0	..
IDA	0	8	10	..
Total debt service	2	6	13	..
IBRD	0	0	0	..
IDA	0	0	0	..
<b>Composition of net resource flows</b>				
Official grants	3	8	0	..
Official creditors	4	5	3	..
Private creditors	-1	0	8	..
Foreign direct investment	2	14	0	..
Portfolio equity	0	0	0	..
<b>World Bank program</b>				
Commitments	0	0	5	..
Disbursements	0	0	2	1
Principal repayments	0	0	0	0
Net flows	0	0	2	1
Interest payments	0	0	0	0
Net transfers	0	0	2	0



## **Annex 15: Institutional Analysis Summary**

### **St. Vincent and the Grenadines: OECS Education Development Project**

During project preparation (January 2004), an institutional capacity analysis was carried out. The objective of the analysis was to assess the political and institutional issues that would limit the capacity of St. Vincent and the Grenadines to make the best use of external financing for the education sector. The consultant focused specifically on assessing:

- existing arrangements at the senior management level for policy and decision-making, and the flow of communication and decision-making between the Ministry of Education (MEYS), the Ministry of Finance, Planning and Development (MFPD) and the Prime Minister's office. Special attention was given to the functioning of the Education Planning Unit (EPU), in light of its current location;
- the adequacy of MEYS and MFPD staffing to carry out the preparation and implementation of all the proposed externally-financed projects in the near future;
- the institutional capacity of the MEYS to implement the education reform laid out in their long-term sector strategy (ESDP);
- the consistency between the ESDP and the projects proposed for external financing, and the institutional capacity of the ministries involved to articulate the contributions of the projects and their impact on achievement of the sector plan goals.

#### **Main Findings**

The MEYS is expected to serve the needs of 125 pre-primary schools, 66 primary schools, 21 secondary schools, 6 technical & vocational institutes/centers and 4 post-secondary institutions. The total staffing of the MEYS is 110 persons, including 39 senior technical staff (5 Senior Education Officers, 30 Education Officers/specialists dedicated to instructional (curriculum) support, 2 Education Officers serving the Exams & Assessment Unit and 2 Education Planners).

The Minister of Education, Youth & Sports envisions the MEYS as focused on core education functions and structured to efficiently respond to them. These core functions center around school supervision, curriculum and instructional support, teacher training and professionalization, examinations and assessment. The current MEYS structure, while conforming to the essentialist vision of the Minister, reveals capacity limitations. Of the units dedicated to core education functions, only the Curriculum Unit seems to be relatively well staffed, compared to the others, with 30 Education Officers and other specialists dedicated to curriculum matters.

The analysis concluded that there was a need to re-examine the capacity of the Ministry to continue to deliver and to extend its scope of services to the schools in essential areas. In particular, school supervision is an area that requires attention. At present, each of the two Senior Education Officers responsible for Primary Education has a portfolio of 33 schools to supervise while the Senior Education Officer for Secondary Education supervises 21 schools. The supervisory load of the Senior Education Officers needs to be revisited. The analysis

suggested that a resident District Office be considered in the Grenadines, along with the possibility of two other District Offices in the more remote parts of the mainland to serve the educational institutions.

The analysis identified an indisputable need for a proactive Unit dedicated to education planning. This unit should work closely with MEYS's top management and senior technicians, whether located within the MEYS or not. There is an Educational Planning and Project Implementation Unit (EPPIU) whose status needs to be clarified. The EPPIU was originally meant to serve both planning and project implementation functions, as the name suggests. However, the transfer of the Education Planner, Deputy Education Planner and Project Officer to the MFPD, in the context of a centralized government planning unit, has created some anomalies in the functioning of the Unit. The planning and project implementation functions have been separated with the creation of the Education Project Management Unit (EPMU) to monitor implementation of internationally funded projects. Therefore, it will be necessary to revisit the structure, staffing and modus operandi of the EPPIU. The EPPIU should drop its project implementation nomenclature and refocus on educational planning, statistics, and monitoring of ESDP implementation.

The Adult Education Unit will require radical restructuring in light of the Government's plans to improve literacy. It has been officially announced that a National Literacy Crusade has been launched in 2004 to last about one year. This will require a coordinating institution that is more flexible and responsive than a civil service agency can be.

The consultant carried out discussions on the possibilities for implementation arrangements for projects. These discussions and the consultant's recommendations were key to reaching the arrangements as explained in Annex 6. One of the main suggestions from the consultant (agreed to by the Prime Minister and the Minister of Education) was that the Project Coordinator would report regularly to the Directorate of the Ministry (comprising the Minister, Minister of State, Permanent Secretary and Chief Education Officer). It was agreed that the non-civil works components (e.g. the proposed OECS Education Development Project (OEDP) elements relating to quality improvement, training, supervision etc.) would be conceptualized and implemented by teams of educators from across the system, gathered in stakeholder Working Groups. These Working Groups will ensure a broad participative base that will secure on-going stakeholder involvement. This structure will also contribute to the democratization of the education system by bringing together educators at different levels and from school and Ministry in defining and implementing new initiatives. All of the projects will be managed by an Education Project Steering Committee (EPSC) comprising the MEYS Directorate, the Project Coordinator and representatives of each Working Group and any (sub)Project Managers who may be hired.

The analysis focused on the need to reform the MEYS. The experience of the other OECS countries in implementing their Education Sector Development Plans confirms the central role of the Ministry of Education in the successful implementation of the country's education goals. The far-reaching changes envisioned at the school and classroom levels cannot be effectively implemented without improving the capacity of the MEYS to deliver the services and support required to drive these changes. A thorough Management Audit of the MEYS is an important initial step in preparing to change the Ministry. This audit, which is being funded by the Caribbean Development Bank (CDB), should be conducted by external persons and in a manner that will lend objective credibility to the results. While the audit will provide

guidelines for initiating the organizational change process within the Ministry, this process must be on-going and continually revitalized through staff input at all levels and from continuous feedback from key stakeholders. Simple feedback mechanisms can provide the MEYS with useful information on perception and progress from its vital constituencies.

The organizational reform agenda has to be driven by the directorate of the MEYS (both political and administrative). They should seek to further transform the organization into a service (as distinct from a command) entity, and should ultimately aim to make the Ministry a learning organization. The MEYS Directorate should continue to meet as a top management team to deepen their sense of collective purpose, send a clear signal of unity around the vision, provide guidance to the system and monitor the overall progress of initiatives.

The consultant advised on the need to keep a sense of strategic direction for the education system. The Government has indicated that the ESDP is “*a strategic guide that will inform development during the next five years*”. While the implementation of the ESDP is necessarily taking the form of multiple projects being executed simultaneously, the sense of strategic direction for the education system must be maintained. There is a danger that, over time, the education development agenda could become “projectized” (i.e. increasingly seen not in its strategic totality but as a series of distinct projects, thus losing its integrative value). Thus, there is a need to focus on the monitoring of the ESDP implementation. The EPU has already been engaged in the development of indicators that would provide an objective basis for monitoring. With project implementation being undertaken by the EPMU, a strong case can be made to have the monitoring of indicators conducted by the Planning Unit (EPU) as part of its on-going responsibilities. It was recommended that monitoring be undertaken independently from project implementation, so the system can be assured of a stronger capacity for self-assessment.

Infrastructure is inadequate. The current accommodation of the MEYS is inadequate even to meet the demands of its present operation. The Government seeks to build a new central office with support from CDB. The consultant recommended that the new office should, as far as possible, bring together all the Ministry departments under one roof. It should take account of the future long-term shape of the Ministry as the ESDP is implemented and make provision for changes.

## RECOMMENDATIONS

A thorough management audit should be undertaken of the MEYS to review the functioning of the Ministry. It should pay particular attention to the extent to which form relates to function and structure to purpose (to be done in 2004 under a CDB-funded project).

Any restructuring of the MEYS should be contextualized in light of the Government’s public sector reform agenda and the vision of centralized common services in some spheres of the public sector and specialization by line ministries. This vision is shared by the Prime Minister and Ministers of Education.

The Directorate of the MEYS should initiate and lead the organizational change process within the Ministry, continually utilizing stakeholder feedback as a guide, with the goal of making the Ministry a learning organization.

The Ministry should apply to the OECS Education Reform Unit (OERU) for a grant in support of the Ministry's organization change process – if this source has not yet been tapped for that purpose.

The school supervision portfolio should be restructured to ensure a more manageable workload and some parity of the school populations served. Particular attention must be paid to the supervisory needs of schools in the Grenadines, perhaps by way of a resident official. In examining the modalities through which this restructuring can be achieved, a comparative look can be taken at school supervision arrangements in the other OECS territories and their relative pros and cons.

The Adult Education Section should be statutorized so that it can function with relative autonomy and be able to manage the Crusade with the speed and efficiency required. Governmental support to the Crusade can then be given as a subvention to the Department, and with its quasi-civic status, the Department should seek supplementary funding from literacy donor sources.

A specific provision should be made in the OEDP project for capacity building at the senior and middle managerial and technical levels in the MEYS and in the schools. Consideration should be given to the provision of in-service training in school management to all principals (and vice-principals) of primary and secondary schools as well as to the Education Officers who supervise them. It is further recommended that the content of this training be customized to suit the education reform agenda of the country and be consistent with the trajectory of the Education Sector Development Plan.

Training should be provided for the general staff in areas critical to service improvement such as customer relations, inter-personal relations, time and personal work management.

A human resource development plan should be prepared based on the ESDP. This will provide the Ministry with a clear idea of the human resource implications of the ESDP and enable it to properly determine its training and succession needs.

The EPU should be restructured to focus simply on educational planning and monitoring of the ESDP Indicators.

All departments should be brought together within one physical structure when constructing a new Ministry of Education (with CDB financing). This structure should make adequate provision for the curriculum unit, including its reprographic needs, a full-fledged IT unit, the operation of an education wide area network, and a relatively large conference facility. In planning for the construction, consideration should be given to the feasibility of establishing District Education Offices, at least in the Grenadines and possibly in a more remote location on the mainland.

The MEYS change agenda should be better communicated. Heads of Department identified poor intra-departmental communication and last-minute engagement as major impediments to future progress. This can take the form of either an electronic or print newsletter throughout the system and other improvements to the traditional means of communication between Ministry and schools.

The Media Communications Unit of the MEYS should be upgraded through the addition of one or two more technicians and the procurement of digital equipment. The example of the St. Lucian Ministry can be looked at, in which such a facility was established for less than US\$25,000.

The Directorate of the MEYS should continue to meet regularly as a top management team to provide the overall guidance and supervision of the initiatives being undertaken at this critical time.

**Annex 16: Department for International Development (DFID) Support  
St. Vincent and the Grenadines: OECS Education Development Project**

DFID and the World Bank are collaborating on this project, and DFID is providing parallel financing in the amount of US\$800,000. This annex gives background on DFID and describes the agency's support to the Government of St. Vincent and the Grenadines for the preparation and implementation of the project.

**Background**

The Department for International Development (DFID) is committed to promoting better educational opportunities for all people as one of the key strategies in its drive to reduce worldwide poverty. In support of that broad goal, DFID has provided financial resources through the OEDP to enable the countries of the Windward Islands – individually, or as a group where possible – to undertake activities aimed at addressing the deficiencies in student achievement and school management. This follows on DFID's funding of technical support to all four of the Windward Islands in their efforts to develop comprehensive sector plans.

All of the countries in the Windward Islands have identified the goal of universal secondary education as one of the key priorities to be pursued within the short to medium term. They have determined that the attainment of a minimum of secondary education by the population is a means of increasing the competitiveness and productivity of the workforce, thereby reducing their vulnerability to poverty. DFID is now working with the governments in the implementation of some of the priority goals and objectives.

DFID funds will be used generally to procure technical assistance and related link activities including workshops, short-term training, study tours and attachments, as well as to promote knowledge generation and dissemination based on project experience among the participating countries. Broadly, the funds will be used to strengthen work on curriculum improvement and renewal, teacher training, student assessment, literacy and numeracy, youth-at-risk support services including HIV/AIDS awareness, and educational management, particularly in the area of school development planning. The specific activities to be funded in each of these areas have been agreed in the context of the final project design with World Bank co-funding.

All project inputs and activities will be managed through a Service Provider (SP) who will collaborate with the MEYS and the DFID-engaged Education Programme Manager (EPM) based at the OECS Education Reform Unit (OERU). The EPM works in close collaboration with the World Bank team and the respective MoEs in the design of the projects in the respective countries. The SP will source and manage all technical assistance (TA) and ensure that such TA is delivered in a joint working relationship with local counterparts. The SP will also arrange study tours and, in association with MoEs administer funds allocated to in-country training activities.

**Support to St. Vincent and the Grenadines**

DFID is contributing grant-funding equivalent to approximately US\$0.8 million in support of project preparation and implementation activities in St. Vincent and the Grenadines.

These funds are being used for:

- a. Technical assistance (\$400,000)
- b. In-country training activities (\$200,000)
- c. Study tours (\$100,000)
- d. Knowledge promotion (\$50,000)

The amount in brackets is the upper funding limit (in US dollars) that would be expended on each subcategory.

DFID recognizes that SVG is the last country to join the OECS Education Development Project (OEDP) and is earmarked for substantial financial resources from other donor agencies, including the EU and CDB. DFID has targeted a significant part of its resources to TA activities that support project preparation and design. This strategic intervention is expected to contribute to timely and enhanced project design and implementation, thus making it possible for the country to access large amounts of other donor financing. Further support will be given to areas such as school development planning, literacy and numeracy, for which DFID has already sponsored TA and training activities. Other specific areas to be supported during implementation will be agreed upon once the country work plan is finalized. DFID will continue to adopt a flexible approach in the implementation of the components and will consider financing new priorities proposed by the Government during the life of the project.

### **Technical assistance and training**

Project inputs in the form of local and foreign expert services will be provided to support several activities during project preparation and implementation. DFID funding will be utilized to procure a total of approximately 360 days of short-term consultancy inputs (*see summary in attachment 1*). Several training activities closely related to the consultant services will also be provided. These training activities for teachers and principals are aimed essentially at improving classroom pedagogy and at enhancing school development planning. Training activities will primarily be in the form of local workshops and seminars.

The specific activities to be supported in some areas, for example, in literacy, numeracy and educational management, have been agreed and defined in some detail (see below). This has permitted a head start to implementation. Other areas, as in youth-at-risk, have had some preliminary consultant inputs with further work to be done, if necessary, as determined by the Government. The situation regarding the need for DFID-support to these and other areas will be clarified as the work plan is finalized.

#### ***Literacy and numeracy improvement:***

Support in the areas of literacy and numeracy will be aimed at helping the MoE develop a more comprehensive policy and plan that targets improved levels of literacy and numeracy at both the primary and lower secondary school levels. There will also be support for appropriate teacher training and the development of teaching guides and assessment materials to supplement existing curricula provisions. Some of the specific activities to be supported include:

- Developing ToRs for and setting up literacy and numeracy task forces;
- Developing respective literacy and numeracy policies and plans;
- Supporting the preparation of a new literacy and numeracy framework that includes an outline of learning outcomes and related learning support materials;
- Facilitating consultation and communication to actively engage relevant interest groups in both the education sector and the wider community; and
- Conducting/facilitating staff (teacher and education supervisor) development programmes that include study tours to experience the implementation of literacy and numeracy improvement strategies in other countries, and workshops for teachers to support the implementation of the new programmes.

***Education Management/School Development Planning:***

The project will help the MOE achieve the objective of a decentralised model of school management. It will support plans for the local management of schools and for the introduction of education districts as a scheme for improving school supervision. Some of the activities to be funded include:

- Training of a cadre of education officers, principals and senior teachers as trainers on school development planning;
- Development of training guides for school development planning;
- Elaboration of a staff development and training plan for principals and school administrators with a focus on school improvement and school development planning;
- Review of the supervision system, its role and functions within education districts;
- Training of education officers and district support teams in school review and supervision; and
- Support for the establishment of quality assurance/supervision within a system of decentralisation for primary and secondary education with appropriate links to school improvement planning.

**Study Tours and attachments**

Project resources will be used to support staff development efforts in the form of study tours and attachments. Wherever possible, these will be tied to the consultancy services being provided. Study tours to be undertaken under the auspices of the DFID TA component of the OEDP should be up to 3 weeks in duration, involving a small group of 2-8 persons which may include representatives from other countries in the project.

***Purpose***

Study tours should focus on targeting skill and knowledge acquisition, which should form a basis for undertaking initiatives aimed at enhancing project implementation upon the participants' return. Tours are expected to result in a measurable change in behaviour of participants and so it would be necessary to define these in advance so that the participants and the host institutions are clear about expectations.

### ***Nature of study tour***

Given the need to ensure practical outcomes and the relatively short period of a tour, the participants will need to have a close working relationship with an expert practitioner. This would enable the participants to review and take part in specifically relevant experiences in sufficient detail. This will enable them to reflect on and gain insights from the experiences as well as to permit detailed discussions with the practitioner(s).

### ***Process***

Once the need for a particular tour has been identified, a planning process will be initiated. That process includes:

- Identification of suitable host institutions/countries;
- Preparation, in consultation with the MEYS, of the Terms of Reference for each study tour and/or attachment, the final version of which would be sent to the host institution(s) and to the participants. These ToRs should include the changes in behaviour(s) expected as a result of participation in a study tour or attachment.
- Once the topic of a study tour or attachment is agreed, the host institution identified, the timing and the ToRs agreed, a contract will be drawn up between the SP and the host institution specifying the nature of the study tour, the resources to be made available to the host institution to enable it to fulfill the requirements of the tour, and the arrangements to be made by the SP or the host institution for the travel and subsistence of the participants.
- The MEYS will be responsible for thoroughly briefing the participants about the expectations of the Ministry for any study tour or attachment. A thorough debriefing should take place after a study tour or attachment.

### **Knowledge Promotion**

The project will support activities related to the generation of knowledge and, in particular, the sharing of knowledge and experience gained during implementation. While DFID resources have been earmarked in support of the development of a knowledge management (KM) system at the OERU, there is a strong need to develop or strengthen country capacities to manage knowledge. This would not only facilitate OERU in its KM pursuits but also assist the MEYS in sharing knowledge within the country and, on a bilateral basis, with partner Ministries in the OECS.

The precise activities to be supported under this category will be determined following a DFID-financed needs analysis in the Windward Islands. While the analysis will address issues related to people, process and platform, DFID support to the country will focus on the development of people and process.

## **Project Management Support**

DFID has provided support through the Education Programme Manager (EPM) during the preparation and design of the project in all countries, including St. Vincent and the Grenadines, and is committed to continuing this support during project implementation. The EPM will be part of the core team on supervision missions and will advise on implementation issues as appropriate.

Additionally, the SP will manage the TA inputs and other inputs of the project to be funded by DFID. The firm will handle the anticipated workload associated with the management and administration of the TA, training (including study tours and attachment as appropriate) and knowledge support inputs outlined above. In the performance of its duties, the firm will work in close collaboration with the Education Project Management Unit and other implementation units of the MEYS. In the process, it is expected to relieve personnel there of the pressures associated with the effective and efficient deployment of those aspects of the project.

The broad duties of the firm include: (a) recruiting, managing and supervising consultant inputs; (b) sourcing appropriate training programmes and assisting in the placement of qualified candidates to pursue these programmes; (c) organising study tours; and (d) managing funds provided by DFID in support of the OEDP (*see attachment 2 for detailed ToRs*).

## Attachment 1

### Summary of consultant services to be funded by DFID

Area of support	Proposed # of days	Inputs to Dec. 2003	Total
Curriculum	*	2	<b>2</b>
Teacher Training	*		
Student Assessment	*	3	<b>3</b>
Literacy	25	2	<b>27</b>
Numeracy	25	7	<b>32</b>
Youth-at-risk	*	15	<b>15</b>
Management	48	14	<b>62</b>
Project Preparation	52	47	<b>99</b>
Other	120*		<b>120</b>
<b>Total</b>	<b>270</b>	<b>90</b>	<b>360</b>

*Notes: A total of 120 TA input days will be distributed as necessary among curriculum, teacher training, student assessment and youth-at-risk. A final determination of the extent of support to these areas will be made following discussions with the Government. Training and related activities may also be supported in those areas.*

## **SUPPORT TO THE OECS EDUCATION DEVELOPMENT PROJECT**

### **OUTLINE TERMS OF REFERENCE FOR SERVICE PROVIDER**

The consultants are to supply the services below to the Governments of Dominica, Grenada, St. Lucia and St. Vincent & the Grenadines.

#### **1. Background**

1.1 The UK's Department for International Development (DFID) is working in collaboration with the World Bank (WB) (and possibly the European Union, EC) in the Windward Islands of the Caribbean in support of their respective Education Sector Development Plans and the sub-regional Strategy for Education "Pillars for Partnership and Progress". The WB is developing a phased programme of support under the OECS Education Development Project (OEDP), and DFID has supported the early design and development of this.

1.2 DFID support to the respective governments will be through the three year Support to the OECS Education Development Project which will provide funds for technical assistance, training and study tours. This will complement that of the WB.

1.3 These ToRs should be read in conjunction with the Project Memorandum.

#### **2. Overall Objective**

2.1 The overall purpose of the consultancy is to provide project management and specialist advisory services for the duration of the Support to the OECS Education Development Project .

#### **3. Scope of the Work**

3.1 The management consultants will be expected to provide a range of specialist inputs over the three-year period, covering, but not limited to, assisting with the:

- (a) reform of the secondary school curriculum
- (b) enhancing teaching skills in response to new curricula
- (c) developing appropriate secondary school assessment framework
- (d) support the development of national literacy and numeracy programmes
- (e) improvement of education management through, *inter alia*, improved performance and appraisal systems, review of school financing mechanisms, and development of School development Planning programmes.

3.2 In addition the consultants will be required to support the OECS Education Reform Unit (OERU), through the DFID Education Programme Manager (EPM), to develop and sustain appropriate knowledge management processes that collate and disseminate the project experience. This will be done through developing, inter alia, a Human Resources database, a website reflecting regional and international experience and knowledge, and periodic seminars and conferences relating to the project experience.

3.3 The inputs will take the form of specialist consultancy advice through a series of short term technical assistance which will support respective governments to review, plan, implement and monitor (a) to (e) above. It will involve support to appropriate training programmes and some supporting materials development.

3.4 The Service Provider will be responsible for identifying, contracting, managing and monitoring all short term technical assistance on the advice of and in liaison with respective governments. This will involve making all travel and accommodation arrangements. It will also include quality control of all reports related to the technical assistance.

3.5 The Service Provider will be responsible for administering funds provided to respective governments for training activities.

3.6 In addition the Service Provider will be required to arrange appropriate study tours where they will clearly add value to technical assistance and training activities.

#### **4. Expected Outcomes and Deliverables**

4.1 The Service Provider is expected to make attributable contributions to the achievement of project outcomes as detailed in the Project Logical Framework. These are expected to be refined in response to the varying context of each country, and may be amended as appropriate during the life of the project.

4.2 The Service Provider is expected to achieve economies of scale through adopting an approach to implementation that optimises use of funds allocated to each island through collaborative working and careful sequencing of inputs to avoid repetition and duplication.

#### **5. Competency and Expertise Requirements**

5.1 A range of skills and expertise will be required to successfully implement this project. However, the successful firm will be required to field a team of local, regional and international experts, with demonstrated knowledge of and successful experience in the relevant areas listed under scope of works above.

## **6. Conduct of the Work**

6.1 The Service Provider (SP) will undertake work on behalf of the respective governments of the Windward islands. They will work with key staff in the respective Ministries of Education, in close association and collaboration with the DFID EPM and the OERU.

6.2 The SP will be directly responsible to DFID for the effective use of UK funds and will report to the DFID Programme Officer concerning all financial, administrative and management matters, and to the DFID EPM on all technical issues.

6.3 The SP will be required to work in a collaborative manner, facilitating activities and enhancing respective Ministry's capacity through technical assistance and training. Success will depend on the adoption of appropriate processes rather than the imposition of blue print solutions. The approach must build ownership and control within respective Ministries.

6.4 The SP will be expected, in their bid, to demonstrate a clear and simple approach that avoids elaborate management and engages with government institutions and processes in a meaningful and constructive way.

## **7. Reporting Requirements**

7.1 The consultants are expected to produce a report at the end of each input; this should be forwarded to the respective Ministry of Education and side copied to the Education Programme Manager and the DFID Programme Officer in Bridgetown. These reports should be labelled and sequenced to form a documentary series over the life of the project.

7.2 In addition the SP is required to produce a summary report each quarter in standard DFID format (to be advised prior to implementation). Quarterly reports should be submitted to the respective Ministry of Education and side copied to the EPM and the Programme Officer at DFID Caribbean in Bridgetown.

7.3 The SP should produce, as an annex to each quarterly report, a summary of expenditure for the relevant quarter, as well as the cumulative expenditure to that point. In addition this annex should include a forward projection of expenditure for the remaining project period, showing accurate expenditure for the coming two quarters, and general projections beyond that to project close.

MAP SECTION

