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MEMORANDUM AND RECOMMENDATION  
OF THE  
PRESIDENT OF THE  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
TO THE  
EXECUTIVE DIRECTORS  
ON A  
PROPOSED LOAN  
IN AN AMOUNT EQUIVALENT TO US\$7.1 MILLION  
TO  
BELIZE  
FOR A  
PRIMARY EDUCATION DEVELOPMENT PROJECT

NOVEMBER 8, 1991

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Currency Equivalents  
(As of January 1, 1991)

Currency Unit = Belizean Dollar (BZ\$)  
BZ\$1.00 = US\$0.50  
US\$1.00 = BZ\$2.00

Fiscal Year

January 1 - December 31

School Year

September 1 - June 30

ABBREVIATIONS AND ACRONYMS

BTTC	Belize Teachers College
CDU	Curriculum Development Unit
CEO	Chief Education Officer
MOE	Ministry of Education, Youth, Sports and Culture
ODA	Overseas Development Administration
PIU	Project Implementation Unit
PU	Planning Unit of MOE
SFIP	School Facilities Improvement Program

BELIZEPRIMARY EDUCATION DEVELOPMENT PROJECTLoan and Project Summary

**Borrower:** Belize

**Beneficiary:** Ministry of Education

**Amount:** US\$7.1 million

**Terms:** Payable in 17 years, including a 4-year grace period, at the Bank standard variable interest rate.

**Financing Plan:**

Government of Belize	US\$4.2 million	(34%)
IBRD	US\$7.1 million	(56%)
ODA	US\$1.3 million	(10%)
	<hr/>	
Total	US\$12.6 million	

**Economic Rate of Return:** Not applicable

**Staff Appraisal Report:** Report No. 9845-BEL

**Map:** IBRD 17093R1

**MEMORANDUM AND RECOMMENDATION OF THE PRESIDENT  
OF THE  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
TO THE EXECUTIVE DIRECTORS  
ON A PROPOSED LOAN TO BELIZE  
FOR A PRIMARY EDUCATION DEVELOPMENT PROJECT**

1. I submit for your approval the following memorandum and recommendation on a proposed loan to Belize for the equivalent of US\$7.1 million to help finance a Primary Education Development Project. The loan would be repayable over a period of 17 years, including four years of grace, at the Bank's standard variable interest rate. It would help finance a project covering selected investments to improve the quality of instructional inputs in the country's primary schools and increase student educational achievement levels through training of teachers and staff in the Ministry of Education; developing curriculum, textbooks, and diagnostic tests, and upgrading school facilities. It would also support improvements in the management of the education system to make schools more responsive to the needs of the country's multi-cultural population, and more effective environment for learning.

2. Background. Belize is a small, sparsely populated country with an economy based on agriculture, including an agricultural export sector, tourism, and light manufacturing. The population in 1989 was around 184,200, occupying an area of about 22,000 km<sup>2</sup>. Per capita GDP reached US\$1,610 in 1989, placing Belize among the upper-income countries of Central America and the Caribbean region. The main feature of the population is that 43 percent is under 14 years of age. Emigration and immigration flows are also important forces affecting the population. About 40,000 Belizeans are living in the United States while a mainly Spanish-speaking refugee population from neighboring countries that is living in Belize reached about 30,000 according to official 1989 estimates. The ethnic composition of the population is diverse, yet no single ethnic or cultural group is dominant. Estimates of income and wealth distribution indicated that economic resources are more evenly distributed in Belize than in most of the other countries in the region. Belize appears to have an ample supply of semi-skilled and skilled workers to meet the needs of the country's principal economic sectors. However, the quality of basic education and training of the labor force must be improved as a prerequisite to mobilizing investment and sustaining economic development.

3. Belize's primary education system has achieved high levels of participation as compared to other Caribbean and Central American countries. However, the quality of education and student performance urgently need improvement. About 90 percent of the population aged 5-14 (about 45,000 pupils) were enrolled in government and government-aided primary schools in the school year 1990/91; thus universal primary education is apt to be achieved before the end of the decade. Male and female enrollments at the primary level are about evenly distributed. About 80 percent of children beginning primary school progress through the eight grades and some 60 percent of those who take the primary school leaving examination go on to the secondary level. Gross progression rates are in the range of 90 percent so that very few students repeat an academic year at the primary level. On the other hand, Belizean authorities generally acknowledge--albeit without comprehensive hard data--that the education system suffers from low quality

performance. Poor quality is evidenced by low levels of reading ability, English comprehension and knowledge of math among primary school graduates. Even the more capable students--those who gain access to secondary schools--are ill-prepared for work at the first year level.

4. The Ministry of Education, Youth, Sports and Culture (MOE) is responsible for managing the national education system. However, it shares responsibilities with churches of various denominations in a unique public and private sector partnership. Under the partnership, defined by the 1991 revised Education Act, the Government establishes educational objectives, develops the curriculum and administrative standards, trains teachers, and administers selection examinations at the end of the primary education cycle. It also pays teachers' salaries, contributes half the costs of school facilities and their maintenance, and makes an allotment per student for instructional materials. The church organizations are responsible for operations, school maintenance, and all personnel matters in their schools which constitute 85% of the total of 236 primary schools. The partnership between MOE and the churches has assisted the Government in overcoming some manpower and financial constraints in managing the system, although constraints continue. Despite the relatively high private spending contributions to total expenditures on education in Belize, the bulk of educational financing still comes from the central government. The share of public education expenditures of GDP and of the central government budget for 1989 were 5.7 percent and 21 percent respectively. In addition, the education sector as a whole receives a modest US\$0.9 million (1990) or 4.7 percent of the Government's public investment program annually. At present there is no tuition charged in government primary schools and none is proposed, as parents in all types of schools generally contribute through various fund raising activities and in purchasing instructional materials. Under the proposed loan, annual public investments in education over the next eight years would increase to about US\$1.2 million for primary education. The distribution of MOE expenditure is generally appropriate: in 1989 approximately 60 percent of the total education budget was allocated to primary education; about 24 percent to secondary, and 7 percent to tertiary. Only 3 percent of total expenditures were spent on administration.

5. The main needs facing Government in primary education--having attained relatively high rates of student enrollment and progression--are improving the quality of educational inputs and student achievement levels, enhancing educational resources, and increasing the effectiveness of the management of education. The system has a serious shortage of adequately trained teachers, with only 45 percent of the 1,941 primary teachers qualified for teaching according to MOE standards. It also provides insufficient salary incentives for teachers to undertake training, does not equip teachers with relevant skills, and its Belize Teachers College (BTTC) has neither sufficient capacity nor resources. Teachers do not follow a standard curriculum developed by the Curriculum Development Unit (CDU) and lack the minimum necessary instructional materials. Neither teacher training nor the curriculum are sufficiently geared to meeting the early primary education needs of Belize's non-English speaking children. The education system also lacks reliable instruments for assessment and evaluation of school performance and student achievement needed to identify necessary improvements, and most primary school facilities are overcrowded and/or in need of expansion or repair. Most primary students, particularly those of low-income families, do

not have access to a basic set of textbooks, and when books are available for purchase, they are not affordable to most families. MOE's operational capacity to address these problems is constrained by its small staff, inadequate field level management resources (e.g. transportation and office facilities), lack of management information, and budget constraints. There is, however, considerable scope for strengthening education planning and management, and to make schools more responsive to community needs and more effective learning environments.

6. Rationale for Bank Involvement. The proposed project forms an integral part of the Bank's strategy for country assistance. One of the major objectives of the strategy is to assist in the development of Belize's human resources, including the institution-building that is critical for sustained economic growth. Other objectives are aimed at supporting the development of basic infrastructure for the effective utilization of the country's vast natural resources, and promoting the development of the private sector as the principal engine of economic growth. The proposed operation is the Bank's first in the education sector. Strengthening primary education in this first operation is the logical point of departure of a longer-term strategy of Bank support to upgrade the quality of Belize's education system at all levels. The project draws upon an Education Sector Review (Report No. 7505-BE-L) dated January 24, 1989, and the lessons learned from other sector operations within and outside the region on school improvement initiatives and on the development and sustainability of education in small countries. These lessons indicate that small countries need extensive technical assistance to supplement their very limited administrative and technical manpower available for project implementation; the introduction of education reforms is a complex and lengthy process requiring strong and innovative leadership by Ministries of Education in partnership with public and private groups at all levels; and the sustainability of improvements in instructional inputs requires the Government and private sources to make increased provisions in their budgets for non-salary expenditures.

7. Project Objectives. The proposed project supports the Government's education policies and development plans for primary education for the period 1992-97. The project's principal aim is to improve the quality of instructional inputs in primary schools and increase student educational achievement levels by pursuing the following objectives: (a) introducing a new system for the training of primary school teachers in order to improve the quality and relevance of teacher training and increase the number of teachers with professional certification; (b) improving the quality, availability, and efficient use of educational facilities and resources for teaching, learning and assessment; and (c) strengthening the planning and management of education to enable Government to develop policies and implement programs to improve the cost-effectiveness of its expenditures on primary education.

8. Project Description. The objectives of the project would be achieved through three components: teacher education, education development, and planning and management. (a) The Teacher Education Component: (US\$2.50 million including contingencies) would provide 46 months of technical assistance to help introduce a new pre-and in-service training system under which 700 primary school teachers would become professionally certified, thereby increasing the percentage of certified teachers from 50 percent to 80 percent over the life of the project. It would also enhance the quality and

relevance of teacher training, emphasize practical skills for effective instruction in a culturally and linguistically diverse society, introduce a system of salary incentives for teachers who complete the various stages of training, and help establish an in-service teachers training system on a part-time basis in outlying districts. It would also provide training for principals as key agents of change and instructional leaders at the school level. Finally, the project would help strengthen the BTTC through an institutional twinning arrangement with a teacher training college abroad, travel and study for staff, and civil works and equipment. (b) The Education Development Component (US\$7.75 million including contingencies) would have two sub-components. The first is a School Facilities Improvement Program (SFIP) under which the project would give priority to addressing the problems of overcrowded classrooms. It would support where appropriate, a combination of multiple shifts and construction and renovation of 105 classrooms in both urban and rural schools to relieve overcrowding, and the renovation, upgrading and construction of 10 principals' houses to help rural and remote communities attract principals to those schools. A second would: (i) strengthen the capacity of the CDU to develop standardized and culturally relevant school curricula and produce and disseminate learning materials compatible with the curriculum and the teaching of English as a second language; (ii) support the implementation and monitoring of a new textbook loan scheme to provide all students with a basic set of textbooks for use in school; and (iii) help establish an achievement monitoring system for continuous classroom evaluation for feedback into policy analysis, teacher training and curriculum/materials development. Approximately 50 months of technical assistance would be provided, as well as 18 months of fellowships and study tours, civil works to expand the facilities of the CDU and build offices for a new Assessment and Evaluation cell, books, materials and equipment. (c) The Planning and Management Component (US\$2.39 million including contingencies) would provide 42 months of technical assistance to help strengthen a new educational Planning Unit (PU) in MOE, develop a new management information system and a school map, and support special studies for planning and policy making. The component would also provide technical assistance and in-service training to help MOE strengthen its management of the education sector, in particular its financial management: budget processing, budget monitoring, and accounting systems. The component would support MOE's strategy of strengthening regional management and support services to teachers and principals by constructing new facilities and upgrading the resources of three education centers, now in temporary and inadequate facilities. Books and equipment would also be provided for the centers.

9. The proposed project would be managed by a small Project Implementation Unit (PIU) staffed by Belizeans and located in MOE under the direct supervision of the Chief Education Officer. The Director of the PIU would manage the PIU team and coordinate the inputs of the long- and short-term consultants financed by the Overseas Development Administration of the United Kingdom (ODA). The ODA-financed inputs would be provided by an educational institution in the United Kingdom under a twinning arrangement with the MOE. The PIU Director would also ensure effective cooperation, stipulated under the Belize Education Act, between the MOE and the church organizations in implementing project objectives. The project would be carried out over a period of seven years. Annual reviews and a mid-term review will be carried out to follow up project implementation and take corrective actions as needed. The total cost of the project is estimated at

US\$12.6 million equivalent with a foreign exchange component of US\$5.1 million (48%). A breakdown of costs and the financing plan are shown in Schedule A. Amounts and methods of procurement and of disbursements, and the disbursement schedule are shown in Schedule B. A timetable of key project processing events and the status of Bank Group operations in Belize are given in Schedules C and D, respectively. A map is also attached. The Staff Appraisal Report, No. 9845-BEL dated November 8, is also attached.

10. Agreed Actions. Prior to negotiations, the Government confirmed it had: (a) established the PIU and appointed its Director with qualifications and experience satisfactory to the Bank, and agreed not to change the Director without the prior agreement of the Bank; (b) approved the proposed changes to the system of teacher training, certification, and remuneration developed for the project; (c) filled 50 percent of existing and newly created establishment posts of importance to project implementation in the BTTC, PU, Evaluation and Assessment Unit, and District Education Offices, and agreed to fill the remaining posts by June 30, 1992. At negotiations, the Government agreed to: (a) sustain a minimum annual allocation of US\$300,000 equivalent in real terms in each fiscal year for operations and maintenance of school facilities beginning on April 1, 1993, and continuing throughout project implementation, and to prepare an operations and maintenance plan for all primary schools, acceptable to the Bank, by December 31, 1992; (b) adopt a policy by May 31, 1992, for permitting each school to use textbook loans fees collected from parents to purchase additional textbooks or other instructional materials; (c) monitoring indicators and key performance targets (e.g. new teachers certified, classrooms constructed, textbooks used in the classroom); (d) prepare and furnish for Bank review, not later than December 1 of each year beginning in 1993: (i) a yearly evaluation of project implementation results and expenditure for the preceding year; (ii) a related review of achievements and shortfalls based on established plans and objectives; (iii) an implementation and expenditure plan for the following year, acceptable to the Bank; and (iv) the results of periodic assessments carried out by MOE to measure student achievement at the primary level; (e) conduct a mid-term review of the project towards the end of 1994 and take corrective actions as needed; and, (f) provide annual increments to the recurrent budget totalling US\$0.9 million for the period 1992-98 for: staff salaries, operations and maintenance, and other expenses to support project implementation and sustain all project inputs after project completion.

11. As conditions of loan effectiveness, the Government would: (a) complete the appointment of the PIU professional staff with skills and experience satisfactory to the Bank; (b) sign an agreement with ODA, satisfactory to the Bank, on the co-financing of the proposed project; and (c) submit preliminary designs and draft bidding documents for new facilities satisfactory to the Bank.

12. Project Benefits. The project would improve the quality and effectiveness of primary education by: (a) increasing the percentage of certified primary school teachers from 50 percent to 80 percent; (b) renovating and building approximately 105 primary school classrooms to relieve overcrowding and improve the teaching and learning environment; (c) providing all primary school children with a basic set of textbooks in the classroom; (d) revising and standardizing primary school curricula and constructing diagnostic and achievement tests for continuous classroom evaluation and



feedback for policy, teacher training and curriculum development; and (e) strengthening the planning and management capacity of the MOE to make needed improvements in management information, research and analysis, and education and training of staff.

13. Project Risks. There are two main risks. The first relates to the limited management capacity in MOE to implement the measures needed to improve the quality and efficiency of the education system. This risk is addressed by providing support for a P/U under the Chief Education Officer to plan and coordinate project implementation with MOE staff and by making available technical assistance and training to strengthen the management of government and church schools. The second risk is that project achievements may not be sustained after project completion. To ensure the sustainability of project achievements, MOE would approve the necessary policies and levels of recurrent budgetary support for key programs of teacher training, textbook distribution, and school facilities construction and maintenance.

14. Recommendation. I am satisfied that the proposed loan of US\$7.1 million would comply with the Articles of Agreement of the Bank and recommend that the Executive Directors approve it.

Lewis T. Preston  
President

Attachments  
Washington, D.C.  
November 8, 1991

BELIZE  
PRIMARY EDUCATION DEVELOPMENT PROJECT  
Estimated Project Costs and Financing Plan

<u>Es'imated Costs</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
	-----US\$ Million-----		
<b>Project Components:</b>			
Teacher Education	1.35	0.73	2.08
Education Development	3.12	3.37	6.49
Planning & Management	<u>1.02</u>	<u>0.97</u>	<u>1.99</u>
<b>TOTAL BASE COSTS</b>	5.49	5.07	10.56
Contingencies	<u>1.04</u>	<u>1.04</u>	<u>2.08</u>
<b>TOTAL PROJECT COSTS <u>a/</u></b>	<u>6.53</u>	<u>6.11</u>	<u>12.64</u>

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a/ Including taxes and duties.

<u>Financing Plan:</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
	----- US\$ Million-----		
IBRD	2.00	5.13	7.13
Government of Belize	4.24	0.0	4.24
ODA	<u>0.29</u>	<u>0.98</u>	<u>1.27</u>
<b>Total</b>	<u>6.53</u>	<u>6.11</u>	<u>12.64</u>

BELIZE  
PRIMARY EDUCATION DEVELOPMENT PROJECT  
Procurement Method  
(US\$ Million)

<u>Project Element</u>	<u>Procurement Method</u>			<u>N.B.F</u>	<u>Total Cost</u>
	<u>ICB</u>	<u>LCB</u>	<u>Other</u>		
<b>1. Works</b>					
1.1 Instructional Facilities	-	2.80	1.86	-	4.66
		(1.68)	(1.12)		(2.80)
1.2 Maintenance	-	-	0.38	-	0.38
			(0.23)		(0.23)
<b>2. Goods</b>					
2.1 Equipment & Vehicles	0.92	0.21	0.10	-	1.23
	(0.55)	(0.13)	(0.06)		(0.74)
2.2 Furniture	-	0.32	0.15	-	0.47
		(0.19)	(0.09)		(0.28)
2.3 Textbooks, Training Material, Consumable	-	-	1.60	-	1.60
			(1.03)		(1.03)
<b>3. Service Contracts</b>					
3.1 Architectural Fees	-	-	0.42	-	0.42
			(0.25)		(0.25)
<b>4. Consultancies</b>					
4.1 Technical Assistance	-	-	0.58 <u>b/</u>	1.27 <u>a/</u>	1.85
			(0.58)		(0.58)
4.2 Training	-	-	1.56	-	1.56
			(0.94)		(0.94)
<b>5. Miscellaneous</b>					
5.1 Incremental Salaries	-	-	0.47 <u>c/</u>	-	0.47
			(0.28)		(0.28)
<b>TOTAL</b>	<u>0.92</u>	<u>3.33</u>	<u>7.12</u>	<u>1.27</u>	<u>12.64</u>
	(0.55)	(2.00)	(4.58)		(7.13)

Note: Figures in parentheses are the respective amounts financed by the Bank loan. N.B.F: Not Bank-financed.

a/ Cofinanced in parallel by the Overseas Development Administration (ODA); procurement in accordance with ODA regulations in conformity with para. 1.4 of World Bank Guidelines; Procurement under IBRD Loans and IDA Credits (Washington, D.C. May 1985).

b/ Services should be procured in accordance with World Bank Guidelines: Use of Consultants by World Bank Borrowers and by the World Bank as executing agency (Washington, D.C., August 1981).

c/ Not subject to procurement.

BELIZE

PRIMARY EDUCATION DEVELOPMENT PROJECT

Allocation of Loan Proceeds  
(US\$ million)

<u>Category</u>	<u>Loan Amount</u>	<u>Disbursement</u>
(1) Goods	1.8	100% of foreign expenditures and 100% of local expenditures (ex-factory cost)
(2) Civil works	2.8	60% of expenditures
(3) Incremental costs	0.6	100% up to the time the aggregate amount of disbursements under this Category reaches the equivalent of \$100,000; 85% up to the time the aggregate amount of disbursements under this Category reaches the equivalent of \$202,000; 75% up to the time the aggregate amount of disbursements under this Category reaches the equivalent of \$314,000; 60% up to the time the aggregate amount of disbursements under this Category reaches the equivalent of \$416,000; 50% up to the time the aggregate amount of disbursements under this Category reaches the equivalent of \$506,000; 35% up to the time the aggregate amount of disbursements under this Category reaches the equivalent of \$560,000; and 25% thereafter.
(4) Consultants' services	0.9	100% of foreign expenditures and 60% of local expenditures
(5) Training, fellowships & study trips	0.5	100% of foreign expenditures and 60% of local expenditures
(6) Unallocated	<u>0.5</u>	
TOTAL	<u>7.1</u>	

Estimated Bank Disbursements:

<u>Bank FY</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
	----- US\$ million -----						
Annual	0.89	1.03	1.15	1.14	1.03	0.96	0.93
Cumulative	0.89	1.92	3.07	4.21	5.24	6.20	7.13

BELIZE

PRIMARY EDUCATION DEVELOPMENT PROJECT

Timetable of Key Project Processing Events

<b>Time taken to Prepare:</b>	<b>Thirteen months</b>
<b>Prepared by:</b>	<b>Government/ODA/World Bank</b>
<b>First Bank Mission:</b>	<b>September 1990</b>
<b>Appraisal Mission:</b>	<b>June 1991</b>
<b>Negotiations:</b>	<b>October 1991</b>
<b>Planned Date of Effectiveness:</b>	<b>January 1992</b>
<b>List of Relevant PCRs and PPARs:</b>	<b>N/A</b>

STATUS OF BANK GROUP OPERATIONS IN BELIZE

A. Statement of Bank Loans as of Sept. 30, 1991

<u>Loan No.</u>	<u>Fiscal Year</u>	<u>Borrower</u>	<u>Purpose</u>	<u>-----US\$ Million-----</u>	
				<u>Bank</u>	<u>Undisbursed</u>
One loan has been fully disbursed				5.3	
2749-BEL	1987	Belize	Power Development	7.5	0.6
2945-BEL	1988	Belize	Second Road Maintenance	5.6	0.8
2959-BEL	1988	Belize	Agricultural Credit and Export Development	7.8	7.2
Total				26.2	
of which has been repaid				2.2	
Total Now Outstanding				24.0	
Total Undisbursed					8.6

B. Statement of IFC Investments as of September 30, 1991

<u>Investment No.</u>	<u>Fiscal Year</u>	<u>Obligor</u>	<u>Type of Business</u>	<u>-----US\$ million-----</u>		
				<u>Loan</u>	<u>Equity</u>	<u>Total</u>
2318	1991	Journeys End	Tourism	1.0	0.0	1.0
Total Gross Investments				1.0	0.0	1.0

