

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

THE BAHAMAS

SUPPORT PROGRAM FOR TRANSFORMING EDUCATION AND TRAINING PHASE I

(BH-L1003)

LOAN PROPOSAL

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TABLE OF CONTENTS

PROJECT SUMMARY	1
I. FRAME OF REFERENCE	2
A. Socioeconomic framework	2
B. The education sector	4
C. The country's sector strategy	10
D. The Bank's country and sector strategies	10
E. Strategy of the program and justification	11
F. Coordination with other donors	11
II. THE PROGRAM	11
A. Objectives	11
B. Structure and scope of program	12
C. Program description and triggers	13
D. Cost and financing	18
E. Sources and conditions of the Bank's loan	19
III. PROGRAM EXECUTION	20
A. The borrower and the executing agency	20
B. Execution mechanism	20
C. Evaluation of Phase I	25
D. Period of execution and estimated disbursement schedule	26
E. Reports	26
F. Financial management and revolving fund	27
G. Bank monitoring and supervision	27
H. Procurement of works, goods and services	27
I. Operative and financial audit	28
IV. VIABILITY AND RISKS	28
A. Institutional viability	28
B. Socioeconomic viability	29
C. Technical viability	30
D. Environmental impact	31
E. PTI and SEQ analysis	32
F. Social Inclusion	32
G. Risks	32
ANNEX 1	Logical Framework
APPENDIX	Resolution

ABBREVIATIONS

BGCSE	Bahamas General Certificate of Secondary Education
BHA	The Bahamas Hotel Association
BTVI	The Bahamas Technical and Vocational Institute
CARICOM	Caribbean Community
COB	The College of The Bahamas
DDD	Disabilities, learning difficulties and disadvantages
EMIS	Educational Management Information System
ICT	Information in Communication Technology
IDB	Inter-American Development Bank
IECF	The International Education Collaborative Foundation
IT	Information technology
NCTVET	National Council on Technical and Vocational Education
MOE	Ministry of Education
MOF	Ministry of Finance
NWDC	National Workforce Development Council
NCOSE	The National Commission on Special Education
PMSC	Project Management Steering Committee
PMU	Project Management Unit
PPP	Private-public partnership
SSS	Single source selection
TVET	Technical education and vocational training
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund

Electronic Links and References	
Basic Socioeconomic Data	http://devdata.worldbank.org/external/CPProfile.asp?PTYPE=CP&CCODE=BHS
Status of Loan in Execution & Loans Approved	http://portal.iadb.org/approvals/pdfs/BHen.pdf
Tentative Lending Program	http://opsgs1/ABSPRJ/tentativelending.ASP?S=BH&L=EN
Information available in the files of RE3	http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=598508
Procurement Plan	http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=607146
Additional Procurement Annex	http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=608908
PCR 848/OC-BH	http://opsws3.reg.iadb.org/idbdocswebservices/getdocument.aspx?DOCNUM=368693
Summary of Lessons Learned from prior Bank supported operations in education and training	http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=607124
Draft Project Performance Monitoring Report (PPMR)	http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=607156

PROJECT SUMMARY
THE BAHAMAS
SUPPORT PROGRAM FOR TRANSFORMING EDUCATION AND TRAINING, PHASE I
(BH-L1003)

Financial Terms and Conditions ¹				
Borrower: The Commonwealth of The Bahamas			Amortization Period:	20 years
Executing Agency: Ministry of Education (MOE)			Grace Period:	4 years
			Disbursement Period:	3.5 years
Source	Amount	%	Interest Rate:	Adjustable rate
IDB (OC)	18 mill.	80%	Supervision and	0%
Local	4.5 mill.	20%	Inspection Fee:	
Other/Cofinancing	0	0%	Credit Fee:	0.25%
Total	22.5 mill.	100%	Currency:	US\$ single currency facility
Project at a Glance				
<p>Project objective: The long-term goal of the program is to enhance human capital accumulation through the development of a dynamic system of education and training that is aligned with the demands of the economy for skilled human resources. The program has been designed as a multi-phase operation totaling US\$60.5 million in loan and counterpart resources over a seven-year period. Each phase would be funded by a separate loan. The total cost for Phase I is US\$22.5 million, of which the Bank will finance US\$18 million (80%), and The Bahamas US\$4.5 million.</p> <p>Special conditions prior to the first disbursement. The loan agreement will contain the following special contractual conditions precedent to the first disbursement: (i) the program's Operations Manual is in force; (ii) the Project Management Steering Committee has been established; (iii) a Project Manager, two Procurement Officers, an Evaluation Officer and an Operations Manager have been hired through competitive processes to work in the PMU; and (iv) two senior long-term expert consultants for BTVI are hired to support institutional strengthening and short-term training activities financed by the program. (<i>see paragraph 3.24</i>)</p> <p>Single Source Selection: (<i>see paragraphs 3.33</i>). The borrower requests sole sourcing selection within the Bank policy in order to contract the services of the <i>International Education Collaborative Foundation (IECF)</i>, a US based organization, to assist MOE in creating a sustainable framework for the PPP initiative.</p> <p>Project consistent with Country Strategy: Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]</p> <p>Project qualifies for: SEQ [<input checked="" type="checkbox"/>] PTI [<input type="checkbox"/>] Sector [<input type="checkbox"/>] Geographic [<input type="checkbox"/>] Headcount [<input type="checkbox"/>]</p> <p>Procurement: (<i>See paragraph 3.32</i>) Contracts for works, procurement of goods and related services, and contracts for the services of consultants will be executed in accordance with Bank policies and procedures. Internationally competitive bidding will be followed for procurements of works valued at US\$3 million and higher, of goods valued at US\$150,000 and higher, and consulting services valued over US\$200,000.</p> <p>Verified by CESI on: <i>August 26, 2005 PCD approved with no further action required.</i></p>				

¹ The interest rate, credit fee, and inspection and supervision fee mentioned in this document are established pursuant to document FN-568-3 Rev. and may be changed by the Board of Executive Directors, taking into account the available background information, as well as the respective Finance Department recommendations. In no case will the credit fee exceed 0.75%, or the inspection and supervision fee exceed 1% of the loan amount (*)

(*) With regard to the inspection and supervision fee, in no case will the charge exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

I. FRAME OF REFERENCE

A. Socioeconomic framework

- 1.1 ***Economic overview.*** The Bahamas has a service-based economy. Tourism, including the cruise ship industry, provides an estimated 40% of GDP and employs about two-thirds of the Bahamian workforce either directly or indirectly. Financial services, insurance and real estate constitute the second-most important sectors of the Bahamian economy, accounting for up to 15% of GDP and employing about 10.6% of the labor force. An additional 8% of GDP results from tourism-driven construction related to new resort development, airport expansion and also the building of second homes for expatriates. Manufacturing and industry account for about 4% of GDP and 4.6% of employment. Agriculture and fisheries employ about 3.7 % of the labor force.
- 1.2 Although tourism is the main engine behind economic growth, the country's pre-eminent position in the Caribbean tourism market during the 1970s and 80s eroded in terms of installed rooms, stopover visits, and tourism expenditures due to newer and more competitive destinations. Compared to other countries in the region, the labor market is relatively inflexible with comparatively high minimum wages and high domestic labor costs. Unemployment was 10.2% in 2004 and has generally been in the double digits. As in other Caribbean countries, the lure of increased economic opportunities has resulted in some outward flow of highly qualified professionals to more developed countries. Nevertheless, an upsurge in tourism development, particularly in the Family Islands, is now presenting both opportunities and challenges for The Bahamas. The construction and operation phases of these new developments will lead to significant job creation. In 2005, a needs assessment commissioned by The Bahamas Hotel Association (BHA) confirmed that, over the next decade, industry demand for specialized technical skills and entry-level positions would grow significantly due to new resort development. It is estimated that one new property alone will create 4,100 new jobs during its first year of operation.
- 1.3 ***Human capital development.*** Such economic dynamism poses a serious challenge to the education and training system and its ability to supply the skilled human capital needed to sustain growth. Focus groups and interviews with private sector representatives across industries revealed a lack of basic skills of high school graduates, i.e. numeracy and literacy, which made it difficult to employ them even at the entry level. The lack of IT skills among job seekers was also highlighted by employers in financial services, insurance, and the hotel and tourism industries, due to the increasing importance of technology in these sectors. In the construction industry, companies mentioned the need for more air conditioning and refrigeration mechanics, electricians, carpenters, plumbers and pipefitters, operators of heavy equipment, supervisors, and construction managers, again commenting on the poor basic skills of potential workers. Finally, an employer survey conducted in 2000 by the Nassau Tourism and Development Board of 200 CEOs in the hotel and tourism industry, provided a stark image of the impact

of existing skills shortages on the most important sector of the economy: (i) 65% of employers were experiencing serious difficulty finding and keeping qualified employees; (ii) 65% believed there was a serious skills gap; (iii) 80% thought that the shortage would have an impact on future economic growth; and (iv) 44% were forced to reconsider plans to expand their business due to these shortages. Interviews with sector representatives during project preparation indicated that the situation has worsened over the last five years.

- 1.4 With 40% of the jobless under the age of 25, acute skills shortages at all levels of the Bahamian economy raise serious questions about the relevance of existing technical education and vocational training (TVET) programs to the world of work. A focus group conducted by The Bahamas Chamber of Commerce in 2004 reaffirmed employers' concerns that many TVET programs fail to meet industry standards. Furthermore, limited access to vocational training in the Family islands, where unemployment and poverty are highest,¹ has meant that many Bahamians are unqualified for jobs in economic development projects in their own community. This has left many businesses with few alternatives to importing specialized labor from abroad. In 2003, Government issued 1,690 work permits, including permits for bankers, accountants, construction workers, hotel housekeeping employees, and specialized tradesmen. In the hotel/tourism sector, a considerable number of work permits are also issued for upper level jobs such as executive, middle management and supervisory positions.
- 1.5 ***Existing training in hotels and resorts.*** Among the 24 participating hotels in the needs assessment conducted by the BHA (2005), 57% of large hotels indicated having a training coordinator and 63% indicated having a training department. However, a closer examination reveals that the training offered tends to be limited to certain areas; it is not systematic and does not prepare employees for upward mobility. For example, the training institute at Atlantis—the largest resort in The Bahamas—offers upper level management and customer service training only.² Among medium and small-sized hotels, most have neither a coordinator nor a training department. Indeed, representatives of the sector have indicated that they would prefer to have access to a training institution in The Bahamas that would cater to their specific needs and indicated their willingness to pay for these services. According to the results of the assessment, training is needed at all levels: line entry, mid-level, and upper level for most occupations related to the sector. Moreover, given the expected growth in the industry, training demands are expected to intensify as the number of workers needed increases (see **Table 1**):

¹ Bahamas Living Conditions Survey, 2001: All Bahamas 9.3%; New Providence and Grand Bahama 8.3%; Abaco, Eleuthera, & Andros 13.2%; Exuma and Long Island 16.6%; other Family Islands 21.0%.

² This training institute is open to the general public but it is very expensive compared to the College of the Bahamas (COB) and the small private colleges.

Table 1: Number of Workers Needed in 5 Years in selected Job Classifications and Job Levels						
Job Classification	Chief Officer	Executive Officer	Middle Manager	Supervisor	Line Staff	Total
Sales & marketing		2	4	30	100	136
Front Office Operations		2	4	2	100	138
Guest Services		2	20	100	203	325
Housekeeping & Laundry			10	31	220	261
Food Prep.		5	22	74	510	611
Food Service		5	32	70	180	287
Security		4	30	100	250	384
Aquatic Life		1	30	100	200	331
Landscaping		2	10	30	155	197

Source: BHA 2005, p. 87.

- 1.6 It should be noted that the BHA needs assessment is the first of its kind. Given the existing shortages of qualified workers for key sectors of the economy, it is critical that The Bahamas begins to systematically collect and analyze labor market information so as to better align its investments in human resource development with labor market demands. At the same time, there is an urgent need to overhaul the country's technical education and training system, making it relevant to the needs of the driving economic sectors and ensuring its accessibility to all Bahamians.

B. The education sector

- 1.7 Education in The Bahamas is mandatory and free for children aged 5 to 17 attending public schools. The primary level covers grades 1-6, after which pupils transfer to junior high (grades 7-9), and then to senior high (grades 10-12). In the Family Islands, grades 1-9 may be combined in all-age schools. In general, enrollment indicators are high; net primary and secondary enrollment stands at 92% and 91.5%, respectively. Over the last decade, considerable reform and strengthening has occurred at both of these levels, partly with Bank support. The Primary and Secondary Education Program (848/OC-BH) financed by the Bank and completed in 2003, resulted in the revision of the primary and junior high academic curriculum (math, science and foreign language), an enhanced capacity to plan and implement curriculum, and improved educational facilities (¶1.29).
- 1.8 Building upon the achievements of this loan, and recognizing that sustained efforts are needed to improve educational performance and basic skills of Bahamian youth, MOE has since: (i) developed and implemented an extended learning program at the primary and junior secondary levels; (ii) established a special unit with the mandate to produce locally developed materials. In addition, MOE is taking measures to establish and staff a semi-independent Inspectorate to continuously monitor the performance of the education sector and ultimately inform the targeting of policy, human and financial resources. The Inspectorate will become operational in early 2006, and will focus its work initially at the primary level.

1.9 **Secondary education.** The secondary level of education is structured as follows:

The Structure of Secondary Education							
	Number of schools				Enrollment		
	Junior High (grade 7-9)	Senior High (grades 10-12)	Secondary School (grades 7-12)	Total	Junior High (grade 7-9)	Senior High (grades 10-12)	Total
Public	7	11	16	34	12,125	10,524	22,649
Private			30	30	4,409	3,557	7,966
Total	7	11	46	64	16,534	14,081	30,615
					(93.9)*	(85.4)*	

Source: Ministry of Education, 2005

* Net enrollment rate

1.10 Public schools play an important role in the provision of vocational and technical skills; all offer both academic and technical vocational education. At the junior level, all public school students are required to take some TVET courses, although the offerings tend to be limited. At the senior secondary level, TVET is optional but is in high demand by students: about 60% of all secondary students are enrolled in at least one TVET course. Nevertheless, TVET programs fall short on many fronts: (i) courses tend to offer a low level of technical skills with little pertinence to the world of work; (ii) quality suffers due to a shortage of trained faculty and outdated facilities and equipment; (iii) teachers frequently lack industry-relevant experience or professional development opportunities to update their skills; (iv) due to space constraints, a number of students are enrolled in courses they did not select; (v) programs tend to follow stereotypical gender roles and practices; (vi) academically weak students are “tracked” into TVET streams; and (vii) programs are not aligned with standards.

1.11 Regarding general academic instruction, an estimated 75%-80% of TVET students read below their grade level, indicating that the quality and delivery of instruction require further analysis.³ Once enrolled in vocational courses, students still take general academic subjects, but generally these are not well integrated with the TVET courses. Of concern is the perceived lack of relevance of secondary and TVET education to employment among youth. Since many students are socially promoted, there is little pressure on pupils or teachers to improve literacy and numeracy skills. In sum, a review of the content and delivery of existing TVET and core upper-secondary programs is needed to understand the underperformance of the system and target interventions.

³ The performance of the Bahamian system is not benchmarked internationally. National secondary examinations include The Bahamas Junior Certificate (grade 9), and The Bahamas General Certificate of Secondary Education (BGCSE) (grade 12). Current BGCSE results show that 43% of students fail the math exam (Smith 2005).

- 1.12 Recent initiatives to forge closer ties between industry and education included the formation of a Tourism Taskforce in Education in 2004. This has resulted in the following joint ventures between BHA and MOE: (i) hotel internships for secondary teachers and their students to get on-the-job experience; (ii) joint review of the secondary hospitality and home economics curricula to infuse life-skills, entrepreneurship, and a broader awareness of career opportunities in tourism; and (iii) a commitment of technical assistance and in-kind support from business to develop a hospitality magnet program in four secondary schools. Such collaborative partnerships appear to be a feasible means for better aligning TVET with industry.
- 1.13 ***E-literacy.*** MOE has taken steps to introduce information technology (IT) into teaching and learning in public schools. While some initiatives seem to have caught on in the primary system, secondary schools have been slow to integrate IT. Currently, only senior secondary students enrolled in business studies participate in “computer studies”, where computer equipment is frequently outdated and only partially operational. Consequently, many students enter the job market with a low level of IT skills, which employers consider a major limitation for their recruitment.
- 1.14 A systematic approach to deliver IT skills in the education system is urgently required. Although schools have received computer labs since the late 1980s, there is no comprehensive policy for technical standards and support, software selection, teacher training, the supply of IT resources, and the submission of electronic records and data. MOE has a good central Learning Resources Center, which trains teachers and develops teaching materials, exclusive of IT. Consequently, current teaching methods must be adapted to bring them in line with the goals of the proposed E-education plan which aims to complement existing Information and Communication Technology (ICT) infrastructure, provide digital educational resources, train instructional and administrative staff in IT skills and applications, and ensure adequate technical support and strategies for sustainability (§2.20).
- 1.15 ***Post-secondary training.*** The Bahamas Technical and Vocational Institute (BTVI) is the sole public provider of entry-level training for the adult (16+) population.⁴ BTVI offers Certificate and Diploma programs at its main campus in Nassau and Freeport, as well as a limited menu of programs in Abaco and Eleuthera. Until recently, BTVI’s mandate was to provide training opportunities to school dropouts or the unemployed seeking to upgrade their skills. In light of the urgent need for higher-level skills training in the country, and the growing gap

⁴ The College of The Bahamas (COB), in its efforts to become a four-year university, has practically eliminated technical programs, focusing more on the provision of Bachelor degrees. Its school of Hospitality and Tourism Studies also caters to the higher end of skills. For example, it trains chefs and offers bachelors in hotel management but does not offer programs related to entry line positions and mid-level occupations.

in the provision of journeyman/technician skills training, Government has recently expanded BTVI's mandate to include customized training and standards-driven certificate, diploma, and eventually applied associate degree programs at the polytechnic level.

- 1.16 To date BTVI's performance has shown mixed results. For example, during 2003/04, BTVI had 1,500 students, yet attrition rates ran as high as 65%. Roughly 25% of its students graduated within the prescribed timeframe, only about 250 students found employment, and just 5% of high-school graduates chose BTVI to further their education. This low participation rate is attributed, in part, to the high level of duplication between secondary TVET and BTVI, and the lack of programmatic articulation between the two institutions. Moreover, BTVI graduates have few options for further study: with BTVI admission standards lower than those for academic tertiary, its programs are neither recognized by nor articulated with degree programs at The College of The Bahamas (COB).
- 1.17 Furthermore, BTVI courses are not well aligned with business needs. Despite its expanded mandate, the institute has neither the capacity to deliver more advanced technical education nor the resources to develop the customized training demanded by industry to enhance competitiveness in targeted areas. Courses tend to emerge as a function of existing supply rather than market demand. There is no employer validation of programs, nor do policies exist for working with industry on course development, delivery or evaluation. As a result, the majority of courses offered fall short of regional and international standards. Faculty credentials indicate that few BTVI staff possess the skills required to teach the more advanced-level courses demanded by the economic sectors. Moreover, the institute's capacity to deliver new programs is constrained by the deteriorated condition of its existing infrastructure and equipment.
- 1.18 BTVI is governed by MOE. In 2004/2005, it received an annual budget of US\$4.7 million, 75% of which was allocated to personnel. BTVI does not have the authority to set fees for its services or to accept donations. Although it generates additional revenue through evening classes, this revenue must be transferred to Government's consolidated fund. Internal procedures remain slow and bureaucratic. Transactions tend to be paper-based, student services are weak, and little information is maintained on graduate placement. In the advent of its new mandate (§1.15), BTVI requires a restructuring of its organizational, financial and business models, as well as strengthening of its faculty, student services and programs.
- 1.19 ***National training framework.*** The Bahamas has a few small, private TVET providers that offer mostly non-technical associate programs;⁵ the few technical programs offered are not articulated and considerable duplication exists. In the

⁵ Offerings include associate and associate of science degrees in areas such as allied health, humanities, social sciences, education, accounting, management, banking and finance, and business (Hull, 2005, p. 21ff).

absence of an agency to oversee quality assurance in TVET delivery, providers frequently define training program content and skill requirements without reference to regional or international standards. Cognizant of this vacuum, The Bahamas has committed itself through CARICOM, to establish a mechanism to: (i) develop and administer a national qualifications framework; (ii) promote and oversee the development of standards of competence; (iii) assess and certify against these standards; and (iv) research workforce development trends. The proposed entity would be modeled on experiences found elsewhere in the Caribbean (e.g. Trinidad and Tobago, Jamaica and Barbados), incorporating broad-based representation from the public and private sector and civil society in its governing board.

- 1.20 ***Private-public partnership (PPP).*** Aware of the added value that private-sector confidence brings to sustaining public investment in education and training, Government has initiated measures to galvanize employer participation in the program. In March 2005, a partnership initiative was launched by the Prime Minister to infuse industry expertise and resources into the planning of program activities, and by extension, enhance the sustainability of overall outcomes.
- 1.21 ***Productivity and investment in early education.*** While there is an urgent and compelling need to transform the delivery of TVET, research shows that skills gaps among individuals develop early on, often before formal schooling begins. These gaps tend to be major determinants of economic and social success, and frequently widen during the school years. Research has shown that when investments in early education are made, economic and social returns to primary and secondary education rise. In other words, the productivity of schooling and job training increase with preschool investments. Moreover, early education programs help raise school productivity by reducing repetition and improving the overall flow of pupils through the system. Hence, investment in early education becomes a critical link to improved human capital accumulation for individuals and for society as a whole in the long run.⁶
- 1.22 The Bahamas has embarked on a strategy to ensure that all Bahamians have access to quality preschool education, thus building a foundation for lifetime learning. In this regard, MOE has made tremendous strides in drafting preschool legislation and national standards. A pending issue is the making of regulations consistent with the national standards. Other important elements that influence the quality of services are the willingness of providers to comply with regulations and the existence of a regulatory body to oversee implementation. While there has been some consultation with private providers and teaching staff at the government centers, more is needed. The general public also needs to be

⁶ The High/Scope Perry Preschool Study in Ypsilanti, Michigan found significant long-term benefits for children who had participated in the early education program. At age 27, 71% of children in the study had graduated from high school or the equivalent, compared to 54% of non participants. In addition, 29% of the program group were reporting monthly earnings of \$2,000 or more, compared with 7% of children in the no program (control) group.

appraised of the government's initiative and the impact of new standards on children in their communities.

- 1.23 About 92% of all Bahamian children aged 3 to 4 years receive some preschool, the majority in private centers. Only 40 out of more than 220 registered preschools are public and free to Bahamians. Of these public preschools, thirty-seven are attached to government primary schools and serve children four years old only while three schools are unattached pilot centers serving both three and four-year olds. Inequities exist, particularly in the Family Islands, where access is limited and parents often are unaware of the importance of early education in their child's development. On many of the smaller islands such as San Salvador, Acklins, Crooked Island and the Exuma cays, children do not have access to any early education services. For these islands, which exhibit large disparities in terms of population and higher levels of poverty, a new model is needed.
- 1.24 Government centers typically offer a well-managed program of reasonable quality, with 95% of the teachers holding a Bachelors degree. In contrast, only about half of the private teachers hold basic qualifications. Classroom observations show that, in many cases, private centers tend to promote inappropriate, highly structured academic programs with limited interaction among children. Given their low salaries, private teachers find it difficult to pay for professional certification. While there are a few centers exhibiting good practice, they are not well known in the country. The establishment of a demonstration school and scholarship program to model the approved national standards would be beneficial to all teachers and administrators.
- 1.25 ***Inclusive education.*** Educating children with disabilities and disadvantages is a challenge for all countries. MOE's goal is to provide opportunities for all persons to receive the quality of education and training needed to become productive citizens. That said, a recent survey administered by the National Commission on Special Education (NCOSE) found that approximately one-third of all children in regular schools, have special education needs. A significant number of students fail to achieve grade and age-appropriate skills, rendering many Bahamian youth with disabilities or remedial status unemployable and ill prepared for the demands of adulthood. These findings, coupled with the poor performance of students in national assessments, indicate that the basic education system is challenged, and that current special education offerings fail to meet the needs of the diverse student population. Government's commitment to a well-educated, skilled and competitive workforce requires that efforts be made to maximize the potential of all entrants into the labor force, including those who may have special needs.
- 1.26 ***Sector management.*** A missing element in the management of education in The Bahamas is the exchange of information and data on a reliable and timely basis to make decisions and to properly coordinate efforts. While the prior Bank loan supported the implementation of a pilot educational management information system (EMIS) in selected schools and district offices, this system was limited in scope, focusing primarily on school administration data. With around 14 main

information systems used to manage its daily business, MOE needs to consolidate its core data into systems that are simple to use and accessible online for schools and superintendents. In addition, given the scope of new initiatives that the MOE is engaged in, strategic planning and leadership development is considered key.

C. The country's sector strategy

- 1.27 The Bahamas recognizes the importance of maximizing the productivity of its most valuable resource, its citizens, as a platform for economic growth in the 21st century. Indeed, the Prime Minister has repeatedly emphasized government's commitment to investment in its human resources so as to ensure a well-educated and skilled workforce. This commitment is further expressed at the policy level through ratification of international agreements and supporting national legislation. At the sector level, both MOE and the private sector are committed to the actions proposed in this program, and to the supporting role that the program will play in meeting the educational and training needs of Bahamian youth.

D. The Bank's country and sector strategies

- 1.28 This program is highly consistent with the Bank's Country Strategy for The Bahamas (GN-2290-2), which was approved in March 2004. A core element of the strategy is to focus Bank support on relatively small projects with a high technical assistance content, rather than on large infrastructure projects. In this regard, the program has a high technical content and will finance little infrastructure. The strategy's principal areas focus on: (i) sustained growth and private sector development; (ii) social development and equity; (iii) environmental management; and (iv) public sector modernization. By prioritizing human capital accumulation in young Bahamians, developing links with the private sector, and strengthening sector management, the proposed operation will contribute three out of the four areas. Finally, the program's emphasis on human capital development mirrors the Bank's education strategy, which develops a strong link between educational quality and equity, competitiveness, and the ability of countries and the region to adapt to the changing needs of the knowledge economy and an ever-more global workforce.
- 1.29 Key lessons learned from implementation of the previous education loan (¶1.7) relate to the: (i) need to involve stakeholders in design, execution and evaluation; (ii) importance of strengthening public private partnerships; (iii) value of outsourcing core project management functions to specialists, and thus avoid overtaxing MOE staff with responsibilities that are outside of their scope-of-work and mandate; (iv) need to concentrate on institutional strengthening activities in the first phase of long term programs; and (v) importance of establishing multisectoral committees and working groups to facilitate key aspects of execution.

E. Strategy of the program and justification

- 1.30 Within The Bahamas, it is widely acknowledged that the economic prosperity and growth of the nation is underpinned, to a large extent, by the capacity of the education and training system to prepare a skilled workforce capable of driving the continued growth of the economy. As the nation increasingly integrates its economy into regional and global markets, new demands will emerge driven by increased competition. At the same time, there is a known shortage in the supply of technical skills for positions at all levels in the trades and service sector, and a deficit of basic work skills among secondary school graduates. The potential for generating new opportunities for innovative business services will therefore depend, in part, on the acquisition and strengthening of competencies at all levels, the development of a flexible and adaptable workforce, and the creation of an articulated education and training framework with continuing private-sector input.
- 1.31 Cognizant of the significant economic and social returns to investments in human resource development at both ends of the spectrum, The Bahamas has identified a path that balances investment in workforce development with a long-term strategy for human development and sustainability. Within this context, the Government has requested Bank technical and financial assistance to support MOE efforts to facilitate a dynamic system of education and training that is capable of producing literate and numerate Bahamian children that possess the core technical skills and competencies required to move successfully through the education system and into the world of work.

F. Coordination with other donors

- 1.32 The Inter-American Development Bank (IDB) is the sole development Bank providing technical and financial assistance to The Bahamas' education sector.

II. THE PROGRAM

A. Objectives

- 2.1 The long-term goal of the program is to enhance human capital accumulation through the development of a dynamic system of education and training that is aligned with the demands of the economy for skilled human resources. The purpose of the operation is to effectively implement targeted innovations that address the educational needs of Bahamian youth, including: (i) a relevant education and training system, articulated at the secondary and post-secondary levels; (ii) improved quality and access to early education; and (iii) a strengthened capacity in schools to accommodate children with special needs. It is expected that these innovations will benefit on an annual basis approximately 38,000 secondary and post-secondary students, 12,000 preschoolers, as well as several thousand students with special needs. A summary of selected outcomes

upon completion of the program is presented in **Table 2**. The program's logical framework is included in **Annex 1**.

Table 2: Selected Program Indicators
<ul style="list-style-type: none"> • Increase in transition rate from secondary to post-secondary institutions. • Increase in the number of courses classified within the National Skills Qualifications Framework. • Increase in the level of satisfaction of employers and students with the technical and vocational education system.
<ul style="list-style-type: none"> • Increase in the supply of preschool programs in compliance with amended regulations. • Increase in enrollment in early education programs in the Family Islands.
<ul style="list-style-type: none"> • Increase in the number of departments/units in MOE/BTVI that utilize management information systems to monitor functions and tasks.

B. Structure and scope of program

- 2.2 The program is a multiphase operation that will provide systemic and longer term support to the education sector over an estimated period of 7 years. Program activities will be financed in two phases, with a first phase of approximately 3 years and a second phase of 4 years. The first phase of the program will focus on strengthening institutional capacity, testing new initiatives and establishing the foundations for the transformation of the country's technical and vocational education system. Within this context, Phase I will support MOE efforts to: (a) build the required internal systems within MOE and other agencies to improve overall sector management; (b) develop policy and regulatory frameworks required for a coherent and well-articulated education and training system; (c) implement and evaluate new initiatives in early education and inclusive education; and (d) strengthen the relationship between the public and private sectors deemed important for a more responsive education and training system.
- 2.3 The second phase will build upon activities initiated in Phase I, taking into account the results of the external evaluation and lessons learned. In particular, Phase II aims to complete the transformation of the TVET system and expand newly tested initiatives to the national level. Hence, the multiphase approach allows for a sustained effort to be made in key areas of vocational and technical education, early education and inclusive education, while allowing for adjustments to be made along the way as needed.
- 2.4 Readiness for Phase II of the program will be "triggered" by the achievement of key implementation benchmarks (paragraphs 3.22 and 3.23) and contingent upon the outcome of the external evaluation of program performance.

C. Program description and triggers

1. Component 1: A National Framework for Technical Education and Vocational Training (US\$11.1 million)

- 2.5 This component will contribute to the creation of an articulated TVET system characterized by a permanent relationship with the productive sectors, aligned with the demands of the employment sector, and adherent to standards that allow its graduates to become successful participants in the labor market.

a) *National Workforce Development Council*

- 2.6 Activities will support the establishment of the National Workforce Development Council, ultimately responsible for monitoring the quality of the TVET sector. The Council will be developed in two stages. In ***Phase I***, a special projects unit will be established within MOE to develop the operational guidelines and legal framework of NWDC. This unit will also engage stakeholders in the process of: (i) developing a national qualifications framework (aligned with Caribbean regional and international models); (ii) defining the agency's accreditation and certification functions; (iii) developing standards to guide training programs at all levels; (iv) facilitating stakeholder consultations to build national consensus around the mission of the NWDC; and (v) creating a labor-market information system to inform the sector and facilitate the flow of data from the schools, BTVI, Government and employers. Initial labor market studies will include the construction and IT sectors.⁷ Program resources will also finance learning missions to pertinent regional agencies to inform the setting-up of the NWDC. In ***Phase II***, the Council will fully assume its mandate, and hence require as a trigger that: ***Legislation establishing The National Workforce Development Council and regulations describing its functions have been sent to Cabinet and are under consideration.***

b) *Secondary education*

- 2.7 MOE's adoption of an updated, standards-driven model for secondary education and TVET delivery will lay the foundation for a well-educated and productive workforce. At the heart of MOE's strategy is a refocusing of the education system to prepare learners for the work of the future. In ***Phase I***, this subcomponent will finance technical assistance, goods, and other services as required to: (i) review and benchmark the content and delivery of the high-school mathematics, science, and language arts curriculum, including the revision of prioritized TVET programs in the hospitality and tourism, construction and IT sectors; (ii) update core academic and TVET standards to reflect integrated learning and the achievement of competencies required for higher education and employment; (iii) introduce technology into all secondary schools, teach students IT skills

⁷ The national qualification framework will address the need for more detailed labor market information, i.e. skills gaps, so as to better inform BTVI's future training priorities.

adhering to international standards and train teachers to infuse technology into subject areas throughout the curriculum; (iv) model the revised TVET programs in up to eight demonstration schools including the training of teachers and provision of needed equipment; (v) expand the “career exploration” program to include a wider array of disciplines and schools, with teacher training; (vi) provide professional development opportunities for teachers through industry-based training, learning missions and shadow assignments to enhance the delivery of the updated curriculum; and (vii) design and implement tracer studies to follow its graduates. In accordance with MOE’s E-Education Plan (§2.20), loan resources will also be used to upgrade IT hardware, develop and acquire digital educational resources and software, create a technical support system throughout the country, and provide IT training for teachers and administrators.

- 2.8 ***Phase II*** will support implementation of the updated standards-driven curriculum, including the new IT core, in all public high schools. ***Phase II triggers include: (i) a model for secondary TVET updating and delivery is approved by MOE; and (ii) the E-literacy core is operational in 50% of all public high schools.***

c) Bahamas Technical Vocational Institute

- 2.9 BTVI is the focal point for improved TVET delivery. This requires a reorganization of the Institute into a semi-autonomous agency and the creation of a genuine partnership with the private sector and labor. The new legal status will provide BTVI with more flexibility in its operations, staffing decisions and course development. It also will allow income generated from activities like customized training to be reinvested in the Institution. GOB already has developed the draft legislation stipulating the creation of a governing board for the (reorganized) BTVI. The changes in legal status will also bring more financial autonomy to the Institution, which will facilitate the recruitment of higher caliber faculty. A more flexible modus operandi will enable BTVI to initiate its accreditation process and to respond in a timely manner to any requirements associated with this process.
- 2.10 As a first step, with the support of technical assistance, an interim governing board will supervise the development of a comprehensive business plan during the first year of the Program, which will help BTVI to: (i) reorganize the department of student services, including the contracting of additional staff and acquisition of equipment for this department as well as equipping a library at BTVI; (ii) the purchase of equipment required to offer more site-based training in New Providence and the Family Islands; and (iii) develop a strategy for future expansion. Once the business plan is developed, loan resources will also finance (i) –(iii).
- 2.11 In addition, Phase I will finance the technical assistance, goods and services that are required to: (i) update and develop certificate and diploma programs within BTVI in response to immediate and future needs in the trades, hospitality/tourism and IT (BTVI will research existing training programs at the regional/international level that can be purchased and adapted to the Bahamian

context); (ii) strengthen BTVI's capacity to broker and deliver fee-based customized training to employers throughout the islands; and (iii) develop and implement a "bridge program" to expand opportunities for disfranchised youth to improve their general academic skills while acquiring basic technical skills⁸. Loan resources will be used to hire adjunct faculty (on a contract, course-by-course basis) as well as equipment purchased to support BTVI's new responsibilities; technical assistance will be provided to ensure the effective implementation of training and staff development, including financing of training courses abroad for BTVI faculty.

- 2.12 ***Phase II*** will continue to roll-out new training programs in other sectors, extend existing programs to more advanced skills levels in accordance with market demand and support the creation of new revenue streams, including the development of an industry-sponsored incubator in entrepreneurship. ***Triggers for Phase II include: (i) legislation for a semi-autonomous BTVI has been sent to Cabinet and is under consideration.***

d) Public-private partnership (PPP)

- 2.13 The private sector has expressed its commitment to become a permanent stakeholder in program-financed activities. To this end, ***Phase I*** will support the establishment of a small secretariat in the Bahamas Chamber of Commerce that will: (i) mobilize business and industry to become active contributors to program activities; (ii) design a structure to capture private-sector investment confidence, including the distribution, management, and auditing of contributions (including cash and in-kind contributions of hardware, software, facilities, equipment, and technical services); (iii) strategically recruit experienced staff to serve as adjunct trainers during the initial expansion of BTVI programs; and (iv) coordinate field-based internships and mentored practicum for students and for professional upgrading of BTVI and secondary TVET faculty. The continuous involvement of the productive sectors should help to ensure that new initiatives prove relevant to employers. In ***Phase II***, the PPP and its projects will be sustained by the private sector. No additional loan resources are anticipated to finance its operation. The Phase II trigger will require that: ***The PPP is operational and funded exclusively by the private sector.***

2. Component 2: Investing in the future (US\$4.5 million)

- 2.14 Studies on human skills development emphasize the importance of complementary investments at different ages. Although gaps in income and race open up early and persist, conventional policies are often costly and start too late to effectively mitigate early deficits. This component will invest in the early development of one of the most enduring resources in The Bahamas – its children. The early education subcomponent will contribute to the long-term efficiency of

⁸ BTVI's Bridge program will be modeled upon successful outreach programs in community colleges and polytechnic institutes throughout the region.

the education system through improved quality and equity in early learning. The inclusive education subcomponent will enhance programs and support services that assist students with diverse learning needs and help them achieve their academic and human potential. Both components will address issues of equity throughout the country by focusing on social inclusion.

a) Early education

- 2.15 This subcomponent will support: (i) promotion and implementation of national standards of practice; (ii) institutional strengthening of MOE's Early Education Unit to allow for more effective programming, planning, and monitoring; (iii) capacity building of teachers and administrators in preschool centers; and (iv) development of innovative programs targeting children and their families in the Family Islands. In order to facilitate the implementation of national standards for quality early education, **Phase I** will support a process of public consultation to sensitize parents, community activists, the private business sector and private preschool providers to quality standards in education and ensure full "buy-in" of all stakeholders. A model Laboratory Early Education Center will be developed as a national training and research site and a multi-sectoral National Council will be established to advise on matters relating to educational policies, national and social development, regulations and the overseeing of the management of early childhood centers. A longitudinal study on early child development will be dimensioned to provide quantitative and qualitative data and to inform future policy making and practices. Finally, in order to ensure its effective role in the implementation of new standards, the Early Education Unit of the Ministry will be strengthened through professional development and technical assistance.
- 2.16 Training in the new standards will also be extended to providers and scholarships will be awarded to stimulate professional upgrading, particularly among private providers. In order to encourage early education personnel in the private sector to meet the qualifications as stipulated in the new standards, the program will establish and finance a government assisted plan to subsidize approximately 50% of the cost of the Auxiliary Teacher Certificate in Preschool Education for at least 300 in-service teachers (approximately 50% of untrained teachers). During the training, teachers will be exposed to new methods and pedagogy and given opportunities to reflect on: (i) the standards for ECCE and their present practices; (ii) child development theories and applications both locally and internationally; and (iii) culturally appropriate norms related to parenting and schooling. Lastly, an informal community based program will be established on the more remote and less developed Family Islands, targeting parents and young children who at present have little or no access to early childhood education.
- 2.17 **Phase II** will complete the transition to a standards-based system, continue the national longitudinal study of preschool effectiveness and disseminate best practices. **Phase II triggers include: (i) regulations to preschool legislation have been implemented and distributed to stakeholders (i.e., early education teachers,**

directors, center owners and parents); and (ii) the Laboratory Early Childhood Center is established and operational.

b) Inclusive education

- 2.18 The strategies and actions proposed in this area are oriented towards strengthening the capacity of schools to accommodate students with a wide range of learning needs. While the main priority is placed on regular schools and classrooms, there is some focus on strengthening existing special education programs and services. The central thrust of this subcomponent is to demonstrate the potential capacity of regular schools to successfully educate students with various special needs, including the gifted and talented. To achieve this objective, ***Phase I*** will: (i) establish a legislative and policy basis for national standards of practice and outcomes that can be used to assist schools achieve success with all students, including those with special needs; (ii) enhance the knowledge, skills, and capacity of classroom teachers, special education teachers, support services personnel and administrators to meet the learning needs of all students; (iii) establish a pilot project to model inclusive education practice in regular schools and classrooms, and to provide a knowledge base for best practices to meet diverse student needs; (iv) support the development of a strategy to institutionalize the universal screening of all students at an early age; and (v) create a basis for systemic change in special educational practice by promoting public awareness of the challenge of inclusion and diversity in today's schools, by engaging the public, parents and the private sector in partnerships efforts, and by gathering and sharing information on successful practice. ***Phase II*** will extend these activities, and thus requires the following trigger: ***(i) the demonstration school experiences for inclusive education have been evaluated.***

3. Component 3: Strengthening sector management (US\$2.0 million)

- 2.19 The third component will support development of the institutional policies, internal systems and management capacity required to successfully implement Phase II.

a) E-Education plan

- 2.20 In ***Phase I***, loan resources will be used to provide technical assistance to the Planning Unit of MOE for the development of its E-Education Plan, in tandem with the national E-Government policy. The plan will emerge from stakeholder consensus, and include policies for data management and classroom IT applications. A limited amount of hardware and software will also be financed. It is expected that all developmental work associated with building the IT section will be completed in Phase I; hence an essential trigger for ***Phase II*** will be: ***MOE approval of the E-Education Plan.***

b) Strategic planning and leadership

- 2.21 With major interventions in TVET, ICT, early education and inclusive education, strategic planning within MOE and BTVI assumes great importance. Hence, ***Phase I*** will enhance MOE and BTVI leadership capacity with respect to program management and decision making. Activities include: (i) development of MOE's 2008-2012 Strategic Plan; (ii) strengthening MOE and BTVI middle-management capacity through targeted short courses; and (iii) modular training in project management for executing unit staff and MOE/BTVI officers with line responsibility. MOE's Planning Department, assisted by specialized consultants, will lead the planning process. ***Phase II*** resources will further develop MOE capacity to manage its new Strategic Plan. Therefore, the ***Phase II*** trigger is: ***MOE Strategic Plan for 2008 – 2012 approved by MOE Minister.***

c) Monitoring and evaluation

- 2.22 During ***Phase I***, the program will strengthen the capacity of the Inspectorate to analyze data, conduct research and provide oversight to the sector. In addition, all evaluative work and impact analysis conducted by the program will be coordinated with the Inspectorate to enhance sector-wide coordination and quality assurance. The proposed educational management information system (EMIS) architecture will facilitate the Inspectorate's access to current data and a monitoring and evaluation manual will be developed to guide its research. At the end of Phase I, the capacity of the Inspectorate to perform its monitoring and oversight functions will be assessed, and additional resources programmed in Phase II if required.
- 2.23 This subcomponent will also finance the collection and analysis of baseline data for the entire program as well as the external evaluation at the end of Phase I.

D. Cost and financing

- 2.24 The program has been designed as a comprehensive multi-phase operation totaling US\$60.5 million in loan and counterpart resources over a seven-year period. Each phase would be funded by a separate loan. The total cost for Phase I is US\$22.5 million, of which the Bank will finance US\$18 million (80%), and The Bahamas US\$4.5 million.

Table 3: Program cost (in US\$ thousands)

Category	IDB	Local	Total	%
1 Secondary and Post Secondary Education and Training	9,425	1,663	11,088	49%
1.1 Information Communication Technology in Curriculum	2,641	466	3,108	
a. hardware upgrade and digital educational resources	1,442	255	1,697	
b. training	1,199	212	1,411	
1.2 Bahamas Technical and Vocational Institute	3,191	563	3,754	
a. organizational restructuring	1,402	247	1,649	
b. development, certification and licensing of new programs	1,789	316	2,105	
1.3 Secondary Curriculum	2,612	461	3,073	
a. curriculum revision and development of new courses	1,468	259	1,727	
b. profesional development and support	1,144	202	1,346	
1.4 National Workforce Council and Public Private Partnership	981	173	1,154	
2 Investing in the Future	3,672	863	4,535	20%
2.1 Early Education	1,712	373	2,085	
a. implementation of national standards	862	216	1,078	
b. community based programs and capacity building	806	201	1,007	
2.2 Inclusive Education	1,960	490	2,450	
a. demonstration model school	274	68	342	
b. social communication and capacity building	1,686	422	2,108	
3 Sector Management	1,844	205	2,049	9%
3.1 Design and Implementation: EMIS	1,002	111	1,113	
3.2 Leadership Capacity Building	349	39	388	
3.3 Monitoring and Evaluation	493	55	548	
4 Administration	1,348	1,523	2,872	13%
4.1 Project Coordination Unit	1,148	1,523	2,672	
4.2 Audit	200	-	200	
5 Contingencies	866	201	1,066	5%
6 Financial Costs	845	45	890	4%
6.1 Interest	845	-	845	
6.2 Credit Commission	-	45	45	
Total	18,000	4,500	22,500	100%
% by funding source	80%	20%	22,500	

E. Sources and conditions of the Bank's loan

2.25 The terms and conditions attached to the Phase I loan are described in **Table 4**:

Table 4: Terms and Conditions (Phase I)	
Source of Funds:	Ordinary Capital (US\$ Single Currency Facility).
Amounts:	US\$18 million
Terms:	
-Amortization	20 years
-Grace period	4 years
Disbursement period:	42 months
Interest rate:	Adjustable rate
Credit fee:	0.25% per annum on undisbursed balance

III. PROGRAM EXECUTION

A. The borrower and the executing agency

- 3.1 The Borrower is the Commonwealth of The Bahamas. The Executing Agency will be the Ministry of Education (MOE).

B. Execution mechanism

- 3.2 MOE will use an integrated implementation model, whereby it maintains overall control and responsibility for program execution, technical interventions, and financial oversight, but core project management functions are outsourced to highly specialized consultants (to see the **Execution Scheme**, included as **Figure 1**, click in attached electronic reference <http://opsws3.reg.iadb.org/idbdocswebservices/getDocument.aspx?DOCNUM=597791>). In this model, program activities will be executed within MOE and BTVI line units using work plans to support implementation. At the same time, technical assistance will be mainstreamed into line units to enhance technical capacity and the transfer of technology in core areas of MOE's portfolio. Training for senior and middle management will also strengthen implementation capacity (§2.21). This arrangement will enhance the timely execution of Phase I, as the management team will bring to the job the level of specialized skills that are required to fast-track services.
- 3.3 **Project Management Unit (PMU).** A PMU will be established with a team of highly specialized individual consultants responsible for core management functions. The functions to be outsourced on a competitive basis include: (i) *Project Management* – facilitation of programming, execution and resource management, including project monitoring, scheduling, planning, reporting, loan compliance and obtaining no-objections; (ii) *Operational Management* – management of communications medium, assets, space rental, warehousing, delivery of goods, maintenance and troubleshooting; (iii) *Procurement Management* – procurement planning, preparation of bid documents and contracts, and contract management, including the negotiation of technical services and goods; and (iv) *Monitoring and Evaluation* – collection, consolidation and analysis of data related to logical framework indicators and triggers, coordination of external evaluation of Phase I, and execution of site observations to ensure quality and consistency with project objectives.
- 3.4 In addition, a dedicated senior financial officer from the Treasury, Ministry of Finance (MOF) will be seconded to the PMU on a permanent basis for the duration of the program with responsibility for all financial and accounting arrangements; consolidation of project component budgets; preparation of expenditure statements for management information, payments, disbursements

- and financial audits; and management of the imprest account.⁹ The officer will work as a full time member of the PMU, reporting to the Project manager and the Permanent Secretary of MOE. Hence, MOE maintains ultimate control and responsibility for financial management of the operation.
- 3.5 Support staff such as secretaries, documentation clerks and drivers will be responsible for providing general administrative and operative assistance to the unit specialists.
- 3.6 The PMU will perform the following duties, which are specified in the program's Operating Manual: (i) coordinate and supervise all project activities; (ii) prepare annual work plans in coordination with MOE and BTVI line units; (iii) monitor and evaluate operational performance and outputs; (iv) prepare semester reports for the Bank and MOE leadership, informing on progress toward agreed upon Phase II triggers as well as other logical framework indicators; (v) prepare all tender documents, notices and reports for procurement of works, goods and services, and notify firms and consultants in a timely manner; (vi) assist line units with the finalization of terms of reference for specialized consulting, technical assistance and training services as provided for in the program; (vii) prepare an annual budget and perform accounting and financial record keeping related to the use of loan proceeds; and (viii) prepare all documentation concerning fulfillment of contractual conditions, including disbursement requests. The PMU will report directly to the MOE Permanent Secretary.
- 3.7 In addition to the PMU, a small secretariat will be attached to the office of the MOE Permanent Secretary to: (i) liaise with the PPP and the Workforce Development Secretariat; and (ii) conduct public outreach and oversee social communication campaigns. In particular, marketing efforts will create support for the successful implementation of national standards and regulations for early education; the inclusion of children with disabilities, learning difficulties and disadvantages in the regular school system; and changes introduced at BTVI, among others.
- 3.8 The execution scheme gives the Ministry control of actual interventions. These activities will be coordinated by three Quality Assurance Coordinators, one to coordinate MOE interventions in the areas of early education and inclusive education; one to coordinate MOE interventions in secondary, TVET and EMIS; and one to oversee activities related to the transformation of BTVI. The Quality Coordinator MOE will report to the Director of Education and the Quality Coordinator BTVI will report to the Director of Higher Education; however, all will maintain a fluid, functional relationship with the PMU Project Manager in order to facilitate project execution. Their role will be to identify implementation

⁹ An imprest account is an account from which resources can be drawn down directly, without going to Treasury (MOF) for payment of eligible project related expenses. It is relatively small and replenished upon presentation of valid documentation. In this way, project related payments are expedited. In contrast, under Bahamian legislation, only the Treasurer has direct access to the revolving fund.

issues, help to resolve bottlenecks and report program advances. Both positions will be filled on a competitive basis.

- 3.9 A ***Project Management Steering Committee (PMSC)*** will meet at least on a quarterly basis to ensure the integrated planning and programming of activities, as well as to enable strategic decision making. Its functions will include: (i) review and sanction of annual work plans and semester reports prepared by the PMU; (ii) monitoring project performance against established benchmarks and providing guidance to the PMU and MOE technical teams as necessary; (iii) endorsement of any changes in project activities; and (iv) review and approval of the Phase I evaluation report. The PMSC will be chaired by the MOE Permanent Secretary and will consist of MOE leadership, private-sector representatives, the PMU Manager (as Secretary to the Committee), and the IDB Sector Specialist (*ex-officio*). Ultimately, the PMSC will ensure MOE oversight of the quality of interventions, their consistency with policy, and the dissemination of information to the public.
- 3.10 **Execution of Component 1: National Framework for Technical and Vocational Education.** The Special Projects Unit of MOE will undertake all preparatory and consultative work required for the development of the National Qualification Framework. The unit will constitute external program advisory committees on an ad hoc basis to elaborate national standards based on regional and international norms. In addition, the unit will also be responsible for the setting up of a labor market information system and the commissioning of initial labor market studies.
- 3.11 Both the general academic upper secondary and TVET sub-components will be carried out by MOE line units. Curriculum officers will oversee the review and revision of math, science and language arts for grades 10-12, with the participation of subject teachers. TVET curriculum officers will oversee the diagnostic studies, the revision and implementation of selected TVET programs in eight demonstration schools, the provision of training and equipment, and the evaluation and subsequent revision and implementation of the career exploration program. Both the secondary and TVET units will work closely together in order to ensure integration of academic and vocational subjects. Selection criteria for modeling the revised TVET programs in up to eight demonstration schools will consider: (i) inclusion of Family Islands; (ii) existing infrastructure; (iii) interest of school leadership and teachers to participate; and (iv) a school culture that supports new initiatives and approaches.
- 3.12 With respect to BTVI activities, the government is in the process of appointing a governing board with multi-sector representation, to oversee the development of the business plan for BTVI and the institution's transformation. To ensure articulation between the secondary TVET education and BTVI efforts, curriculum committees will be formed which will include representatives from MOE and BTVI. These curriculum committees will be in charge of developing new training programs consistent with the new standards. To facilitate execution, whenever

possible, MOE will purchase existing packages of assessment instruments and curricula materials that meet required standards. The programs can then be adjusted to the Bahamian context.

- 3.13 **Execution of Component 2: Investing in the Future.** The early education subcomponent will be executed by the Preschool Unit of MOE, who will oversee the implementation of the new standards, the establishment of the laboratory preschool, the development of community based programs on the Family Islands, and professional development initiatives. Selection criteria for the distribution of government grants for the Auxiliary Teacher Certificate training, along with application procedures, will be detailed in the Operating Manual of the program.
- 3.14 A community based early education program will be set up on nine of the Family Islands, which at present do not have access to such services. The program will consist of a parent outreach initiative targeting children under 3 years, and parent work groups aimed at reaching 3 to 5 year olds. As part of the outreach initiative, a home visiting facilitator will train parents in the importance of high quality early childhood practices and child developing issues. For older children, parents will form themselves into working groups to assist their children with their developmental needs. These neighborhood work groups will be facilitated once a month by the education officer/facilitator but will be led by parents who have been trained to manage the groups. In addition, MOE will finance radio spots on a regular basis to inform parents and encourage their participation.
- 3.15 A multi-sectoral National Council, including both public and private representatives, will support the establishment of a genuinely collaborative model, which will bring stakeholders together to drive policies and regulate the management and standards of practice in the field of Early Education in The Bahamas.¹⁰ Members will meet regularly to address national problems, such as those of inequality and quality of early education, and will also act as an advisory council to the Minister of Education. The constitution and mandate of the Council is detailed in recently passed legislation for early childhood care.
- 3.16 The inclusive education subcomponent will be executed by the Special Education Unit, with support from the Special Services Unit. As a first step, the unit will establish a working group to produce standards of practice for inclusive education. This will be followed by orientation and training on the standards of practice, and development of methods of reporting both school and student performance. Sensitization and training initiatives will include at least one teacher per grade level in all primary and all-age schools, as well as the principals of these schools. Resource and support teachers, school psychologists and language/speech therapists will also be targeted for professional development opportunities.

¹⁰ This model falls squarely within global alternatives and has been successfully implemented in Jamaica, Trinidad and Tobago and The United Kingdom, among others.

- 3.17 Eight schools will be selected to participate in the demonstration experience for the inclusion of children with special needs. Five primary schools will be designated: two in New Providence, one in Grand Bahama, and two others, one on each of two different Family Islands. To provide some experience with older students, and as a preparation for the next phase of the initiative, one junior high school in New Providence will also be selected. Two additional schools will be selected to complete the “pilot” schools: one all-age school on a Family Island and one central secondary school on a remote island. The criteria for the selection of schools should include evidence of the following characteristics: demonstrated interest in participation; effective leadership; committed teachers; some positive experience, even if limited, in accommodating students with diverse learning needs; a school culture supportive of innovation and improvement in instructional practices to increase student learning; and a positive relationship with parents and community stakeholders.
- 3.18 **Execution of Component 3: Strengthening Sector Management.** To implement the E education plan, an information technology (IT) section will be established within MOE. The section’s responsibilities will include: (i) coordinate all IT-related projects; (ii) improve MOE’s current intranet system to enhance the flow of information among units, and within the Government’s wide-area-network (¶1.26); and (iii) design and implement a central statistical database.
- 3.19 Strategic leadership and management training activities for MOE and BTVI’s middle and upper level management personnel will be coordinated by the Director of Education and the Director of Higher Education respectively. Consultants will be hired to provide short-term courses and seminars, with emphasis on the first 18 months of the program.
- 3.20 While the PMU will contract all necessary technical assistance to support the efforts of the Inspectorate for Monitoring and Evaluation, the Office of the Permanent Secretary with the support of the Director of Education, will have general oversight of the activities carried out and the evaluation reports generated.
- 3.21 **Operations Manual.** A consultant is currently working with MOE on the preparation of the Operations Manual and it is expected that this will be completed prior to Board consideration of the program. The Operations Manual will guide and govern the execution of the program and will include: (i) a description of the institutional framework, including the organization and operative structure of the program, and identifying the key entities involved in its execution; (ii) a description of coordination mechanisms between components — when appropriate— and between various entities participating in the program; (iii) procedures for the administrative and financial management of the program; (iv) procedures for the contracting of goods and services; (v) procedures for coordination between the program, MOE Departments including BTVI, the Workforce Development Council (special unit), and the IDB; (vi) mechanisms and procedures for monitoring and evaluation; (vii) terms of reference for all key

PMU positions that will support execution; and (viii) terms of reference for all key consultancies to be financed under the various components of the program.

C. Evaluation of Phase I

3.22 When at least 40% of program resources have been disbursed and/or after 2 ½ years of program execution, an external evaluation will be conducted using loan resources to evaluate Phase I activities and assess readiness for Phase II. The evaluation report will highlight the degree to which the goals and indicators agreed between the borrower and the Bank were achieved. It will also contain relevant recommendations for changes or adjustments to Phase II, related to both institutional aspects and education processes.

3.23 In accordance with multiphase loan operational requirements, advancement from the first to the second phase will be subject to the level of disbursed resources (at least 50% of resources disbursed and 70% committed) and the reaching of milestones defined by specific output and/or results indicators (see **Table 5**). For the purpose of this program, 8 out of the 10 indicators should be achieved.

Table 5: Phase II triggers	
a)	Legislation establishing The National Workforce Development Council and regulations describing its functions have been sent to Cabinet and are under consideration.
b)	A model for secondary TVET updating and delivery is approved by MOE.
c)	E-literacy core is operational in 50% of all public high schools.
d)	Legislation for a semi-autonomous BTVI has been sent to Cabinet and is under consideration.
e)	The PPP is operational and funded exclusively by the private sector.
f)	Regulations to preschool legislation have been implemented and distributed to stakeholders.
g)	The Laboratory Early Childhood Center is established and operational.
h)	The demonstration school experience for inclusive education has been evaluated.
i)	MOE approval of the E-Education plan.
j)	MOE Strategic Plan for 2008 – 2012 approved by Minister.

3.24 **Special conditions prior to the first disbursement.** The loan agreement will contain the following special contractual conditions precedent to the first disbursement: (i) the program's Operations Manual is in force; (ii) the Project Management Steering Committee has been established; (iii) a Project Manager, two Procurement Officers, an Evaluation Officer and an Operations Manager have been hired through competitive processes to work in the PMU; and (vi) two senior long-term expert consultants for BTVI are hired to support institutional strengthening and short-term training activities financed by the program.

3.25 **Retroactive financing.** The borrower has requested that expenses incurred by the executing agency as of July 1, 2004 be reimbursed as retroactive financing, up to a maximum of US\$1,500,000. These expenses include: (i) all consultancies related to project preparation, including sector and technical studies, as well as the

development of the project baseline; (ii) essential workshops and study tours related to key components of the project; (iii) the initial development of procurement documentation; and (iv) improvements made to the program management, preschool and special services units. Once the Bank has analyzed the supporting documentation showing that the expenses incurred by the executing agency were indeed for program activities and in the amounts claimed, the Bank could consider proceeding as requested.

D. Period of execution and estimated disbursement schedule

- 3.26 The program has an execution period of 36 months, with a disbursement period of 42 months, both terms commencing as of the date that the loan contract enters into force. **Table 6** summarizes the planned program disbursements over the three-year execution period.

Table 6: Schedule of Disbursements (in US\$ 000)

Source of Financing	Year 1	Year 2	Year 3	Total	%
BID	6,480	5,940	5,580	18,000	80%
Local	1,620	1,485	1,395	4,500	20%
TOTAL	8,100	7,425	6,975	22,500	100%
%	36%	33%	31%	100%	

E. Reports

- 3.27 The PMU will operate a permanent monitoring system to evaluate the progress of all project activities. As part of this system, PMU will collect and retain updated information on performance indicators, annual implementation plans, and all evaluations. Throughout the program execution period, MOE/PMU will submit semiannual progress reports to the Bank within 60 days after the end of each six-month period. The reports will include information on: (a) the progress achieved in terms of the targets established in the program's logical framework, previously agreed upon by the executing agency and the Bank; and (b) a summary of the problems encountered during the respective period and how they were resolved.
- 3.28 **Annual Operating Plan.** In November of each calendar year, MOE/PMU will submit its annual work plan to the Bank for approval, in accordance with previously agreed upon guidelines. The Annual Work Plans will describe the specific activities to be undertaken to achieve each output of the Project, the timeframe for implementation, and the entity or individual responsible for executing each activity of the Project. These plans will also contain a detailed annual and quarterly budget estimates. The Annual Work Plan for the first year of the Project execution will presented as part of the Initial Report refers to in Article 4.01(d) of the General Conditions.

F. Financial management and revolving fund

- 3.29 Management of the project's financial resources will be the daily responsibility of the MOF Senior Financial Officer of the PMU and in accordance with international accounting norms. The revolving fund will amount to 5% of the value of the loan. The PMU will present every semester to the Bank a statement of the flow of resources of this fund. The GOBH will establish and maintain a separate and specific bank account in the Central Bank of The Bahamas for the purposes of managing the Bank loan funds. The local counterpart resources will be allocated in the National Budget, funds will be drawn down by the MOE as they are required for eligible project expenses.

G. Bank monitoring and supervision

- 3.30 The Country Office in The Bahamas will take primary responsibility for the Bank's supervision of the project and will conduct ex ante reviews of disbursements. The executing agency will remit requests for disbursement to the Bank with payment breakdown information. The original supporting documents will be available for inspection by the Bank and/or external auditors.
- 3.31 Given the short duration of Phase I, semi-annual supervision reviews will be conducted by the Bank to track loan execution, and to identify changes necessary to ensure a timely transition to Phase II. Bank administrative funds will also finance a project "launch" workshop within three months of disbursement eligibility.

H. Procurement of works, goods and services

- 3.32 Contracts for works, procurement of goods and related services, and contracts for the services of consultants will be executed in accordance with Bank policies and procedures. Internationally competitive bidding will be followed for procurement of works valued at US\$3 million and higher, of goods valued at US\$150,000 and higher, and consulting services valued over US\$200,000. Bidding for goods valued below these amounts will be carried out in accordance with national procurement policies and procedures. All consulting services will be contracted in accordance with Bank procedures.
- 3.33 **Single-source selection (SSS).** The borrower requests sole sourcing selection within the Bank policy in order to contract the services of the *International Education Collaborative Foundation* (IECF), a US based organization, to assist MOE in creating a sustainable framework for the PPP initiative. IECF has a proven track record in the establishment of public-private partnerships in the education sector and during the last 9 months has worked successfully in The Bahamas to engage stakeholders from all sectors to build the trust necessary to structure the partnership and catalyze initial funding resources. Hence it has experience of exceptional worth for the assignment, which would also be a natural continuation of ongoing work carried out by the firm in The Bahamas. In order to

move forward, relationship building between all partners is now considered critical. Given the degree of confidence that has IECF has generated thus far and its success with similar ventures in the region, its continued leadership in helping to creating a sustainable PPP framework is critical. Hiring IECF guarantees continuity in the technical approach, the experience acquired, and continued professional liability.

I. Operative and financial audit

- 3.34 In accordance with Bank policies and procedures (AF-100, AF-200, AF-300, AF-400 and AF-500), the executing agency will hire an independent firm of public accountants acceptable to the Bank to conduct an external audit of program operation, financing and compliance. Since the costs of the audit will be covered using proceeds from the Bank loan, the firm will be hired on the basis of the selection and contracting procedures for audit firms approved by the Bank.
- 3.35 Throughout the program execution period, the executing agency will submit annual financial statements to the Bank, audited by the audit firm. The financial statements must be submitted within 120 days after the end of each fiscal year, and within 120 days after the last disbursement.
- 3.36 In addition, an Operations and Financial Audit Report will be submitted to the Bank annually. The report will contain: (i) a review of compliance with contractual conditions; (ii) a review of procurement procedures and disbursement requests presented to the Bank; (iii) an evaluation report on the internal control system for the project; and (iv) a review of supplementary financial information, including reconciliation of accounting and financial records for the program with information from the Bank, and reconciliation of the imprest account.

IV. VIABILITY AND RISKS

A. Institutional viability

- 4.1 During the last decade MOE executed the Bank financed *Primary and Secondary Education Loan* (848/OC-BH) and the lessons learned from this experience will facilitate the execution of the new operation. The institutional analysis shows that the Ministry has the technical capacity needed to facilitate execution of the various activities to be financed. However, consistent with the findings of the Project Completion Report of the prior loan, the analysis also highlights the value of outsourcing core project management functions to specialists, to avoid overtaxing MOE staff with responsibilities that are outside of their scope-of-work and mandate.
- 4.2 While several models for execution were analyzed during project preparation, the integrated implementation model chosen for Phase I, including the establishment of a PMU, was the preferred option for the following reasons: (i) project interventions demand that the Ministry's human resources give critical focus to its

core areas of technical competence; (ii) the efficiency and effectiveness of project execution has high priority among stakeholders; (iii) there is a limited number of qualified and experienced experts in project management within the Ministry; and (iv) the timeframe for Phase I is relatively short, approximately three years.

- 4.3 As a complement to the work of the PMU, the program will support the MOE in the development of the institutional policies, internal systems, and management capacity required to strengthen sector management and successfully implement Phase II. In particular, the development of an educational management information system will improve the tracking of data on sector performance, thus permitting informed decision-making. Additionally, specialized training and assistance will be mainstreamed into MOE line units to enhance technical capacity in core areas of their portfolio. Training for senior and middle management will also strengthen overall MOE implementation capacity. Prior to Phase II, the capacity of MOE's staff and the scope-of-work for the PMU will be reassessed.

B. Socioeconomic viability

- 4.4 Data from the Living Conditions Survey (2001) find a strong positive relationship between the level of schooling achieved by the household head and probability of escaping poverty but warns that merely attaining literacy and other basic skills through primary schooling is not enough to succeed economically: about 40% of poor households have completed some secondary schooling, implying either a low quality of education or a mismatch between subjects currently taught in secondary schools and labor market demands. The focus of the project on strengthening the link between the supply of education and training and the demand for skills in the labor market thus appears well placed. This, in turn, is expected to decrease the costs employers currently bear in terms of recruiting and training the human resources required.
- 4.5 Bahamian youth aged 16-24 represent one of the groups that are expected to benefit from this project. According to the Living Conditions Survey (2001), 68% of this cohort has completed high school; the remaining 32% has no form of academic qualification. Of the reasons given for not attending, and therefore not completing high school, non-health related reasons figure prominently. Nationwide 44% "do not want to attend", a figure that increases dramatically to more than 85% in Abaco, Andros, and Eleuthera. Increasing the relevance of curricula both to student interests and labor market needs thus has considerable potential to increasing both the private and social rates of return.¹¹

¹¹ No rates of return data are currently available. The project is creating the mechanisms through which these data can be collected and monitored. Bank experience in other countries such as Haiti and Honduras has found similar investments in training both to have positive rates of return (private and social) and to be recouped within 10-15 years.

- 4.6 Of particular concern for the project are unattached youth – that is, youth aged 16-24 that are neither in school nor employed. Data from the Living Conditions Survey (2001) characterize 20% of all youth aged 16-24 as unattached and find the lack of academic qualifications to be a major factor contributing to their detachment. Whereas almost 20% all youth in this age cohort had some level of tertiary education (defined as college, university or post-secondary technical training), merely 4% of unattached youth did. Although 90% of these (unattached) youth completed high school, 53% had only a School Leaving Certificate or no qualification. The creation of the bridge program within BTVI thus constitutes a necessary response for reincorporating these youth into formal training programs and increasing the probability of their eventual absorption into the labor market.
- 4.7 Additional gains will come from improvements in student flows throughout the sector, from the preschool level through the tertiary level, and from reductions in existing duplication of courses between institutions. And, insofar as it is widely accepted that performance in early grades is a significant predictor of eventual completion at higher levels, the investments the program will make in early education are expected to increase rates of school completion and, as these rates increase, to improve future employment and earnings, particularly among poorer sectors of society.
- 4.8 National school enrollment is universal amongst children 5-16 years of age, whether poor or non-poor. However, the repetition rate at the primary level for children from poor families is double that for children from wealthy families (22% versus 11%, respectively). At the pre-school level (ages 3-4), national enrolment is an impressive 85%, but only 51% amongst the poor, versus 91% amongst the non-poor. For children 17-18 years of age, universal enrolment drops off dramatically from those aged 14-16 years (from 97% to only 49% nationally, and from 99% to only 11% for poor youth).

C. Technical viability

- 4.9 The Bahamas is a small country with limited capacities and opportunities for creating a vibrant and diversified training market. BTVI is the only institution providing entry-level skills training for the trades. As mentioned previously, the College of The Bahamas (COB) has practically eliminated its technical programs (associate level), creating a breach in the provision of advanced specialized training at the Level II (journeyman) and Level III (technician) level. Presently, there is no technical training institution on the islands that provides advanced specialized training to the public at large at the journeyman or technician levels.
- 4.10 The government's strategy to upgrade BTVI to a "poly-technical institute" (or community college) is consistent with regional efforts and agreements to create national qualification frameworks and regional/national accreditation mechanisms. The program supports these efforts through its investments in BTVI, in particular the transformation of the institute into a semi-autonomous institution

and the creation of a National Workforce Development Council. These investments are justified in that they will help to better align the supply of training with an identified demand for skilled labor, and at the same time, they will create mechanisms for cost-recovery and promote financial sustainability of BTVI (e.g., as private businesses pay for customized training and as new fee and tuition schemes for students are established).

- 4.11 In the case of The Bahamas, the availability of well-educated and skilled labor assumes considerable importance, in that it likely will lead to a reduction in the number of foreign workers employed in leading economic sectors and a reduction in the unemployment rate, particularly among young Bahamians. Moreover, research from countries around the world shows that the availability of skilled labor remains a key factor in attracting and maintaining foreign direct investment, as often is the provision of training subsidized by the public sector.
- 4.12 Under the new system, TVET offered at the secondary and post-secondary levels will be articulated, allowing students upward mobility: secondary schools will provide training up to Level I (as classified in the Caribbean Qualifications Framework) and BTVI will offer levels I, II and III.¹² It is also anticipated that the future degrees earned at BTVI will allow graduates to continue their education at COB. Similar to community colleges in North America, the reformed BTVI will adhere to its mandate of providing: (a) a second chance for working adults and drop-outs; and (b) career paths and advancement for secondary graduates who want to upgrade their skills and achieve higher levels of education and training. The program thus is expected to improve the overall equity of the education sector, in that it will generate a more fluid flow of students between schools and training providers (e.g., upper-secondary-BTVI; BTVI-COB) and remove many of the obstacles currently faced by BTVI graduates seeking to continue their studies at other tertiary-level institutions.

D. Environmental impact

- 4.13 No negative environmental impact is anticipated. The only physical works are the modest upgrading of BTVI facilities, some secondary schools, and an existing government preschool, where all national norms and specifications for construction and for the disposal of waste will be met or exceeded. With regard to the revision of TVET curriculum and standards, attention will be given to the incorporation of high environmental standards and norms for the use, disposal, and recycling of materials and equipment.

¹² BTVI will continue to offer Level I training in an effort to address the needs of drop out students and workers in search of a career change.

E. PTI and SEQ analysis

- 4.14 This operation qualifies as a social equity-enhancing project as described in the indicative targets mandated by the Bank's Eighth Replenishment (Document AB-1704). It does not qualify as a poverty-targeted operation.

F. Social Inclusion

- 4.15 *Gender.* Women are underrepresented in TVET programs and at BTVI. The activities supported by the program, including curricular reforms and the creation of new courses, will incorporate gender perspectives and include necessary measures to promote participation by both sexes in program activities. In addition, all data on program activities used for purposes of monitoring and evaluation will be disaggregated by gender, as will indicators identified in the program's logical framework.
- 4.16 *Children with special needs.* One of the main objectives of the program is to provide opportunities for all children in The Bahamas to receive the education and training that will equip them with the necessary attitudes, knowledge and skills required for work and life in an interdependent, ever changing world. In this regard, the program promotes the inclusion of children with special needs in the regular educational system by strengthening the capacity of schools to effectively address their needs. International evidence has demonstrated that children with disabilities, learning difficulties and disadvantages learn better when they are allowed to go to a regular school within their neighborhood.

G. Risks

- 4.17 The program assumes that the Bahamian economy continues to grow over the medium term and therefore that: (i) there will be sufficient demand for the increased supply of skilled workers produced by the program; and (ii) government revenues continue to grow and the government has the fiscal capacity for the extra expenditures embodied in the program. The risk that this macroeconomic environment fails to materialize in the medium term appears small, given the large investments currently taken place or scheduled in the near term and the current trajectory of the economy. Furthermore, the total expenditures on the first phase of the project -- \$7.5 million per annum for three years -- are relatively limited, representing 3.4 percent of the Ministry of Education's budget, about 5% of the public sector investment program, and 0.13% of GDP. In a similar manner, the recurrent expenditures that are expected to be generated as a result of program activities are estimated to be less than 1% of MOE's annual budget. Hence, it is unlikely that the program would be constrained by fiscal factors.
- 4.18 Given the high level of private-sector participation envisioned by the program, and the possibility that one sector might have greater involvement than another, Boards of Management will be appointed by Government to oversee BTVI and the NWDC. The proposed Boards would be modeled on experiences found

elsewhere in the Caribbean, incorporating a broad based representation from the public and private sectors and civil society.¹³ Safeguards will also be put in place in the regulatory framework of the institutions and their Boards, to control for self-interest in decision-making and in the allocation of resources.

- 4.19 Similarly, given the fact that tourism—driven by private sector—is the engine of growth of the Bahamian economy, the role and responsibility of Government in technical vocational education needs to be clearly defined in order to reduce the mismatches between supply and demand for training. While the private sector’s active participation is necessary for the success of any training program, the Government also has a key role to play, both in funding and in policy making. This program supports the reform of BTVI and its conversion into a more autonomous institution, thus reducing the role of the state. As mentioned above, the new BTVI will be governed by a board with multi-sector representation, including representatives of the Government. However, even though the reforms will allow BTVI to generate more income, it is likely that continued public support for the operation of the institute will be required.¹⁴ The involvement of the Government and educators is also important to ensure that training programs do not only narrowly fit the interest of employers but allow workers to obtain a broad base of skills that will make them employable in various enterprises or even across sectors. In sum, the presence of the state will contribute to a more balanced education and training program and will ensure that the social mandate of the state, in particular that of the Ministry of Education to serve disadvantaged groups, will be met.
- 4.20 Even though BTVI is the largest provider of career and technical education and training in The Bahamas, it has found itself challenged to meet to the demands of its stakeholders due to its: historical focus on lower-level traditional certification programs, outdated equipment, shortage of trained professionals, minimal links with leading economic sectors, and weak monitoring and evaluation systems. Recognizing that reform is needed, in 2004 the institute developed its first strategic plan in an attempt to orient its actions and meet future challenges in the short to medium term. The plan aims to improve management, expand technical offerings, partner with industry, increase access to training and improve funding. In order to accelerate the transformation of BTVI to an institution that responds efficiently and effectively to the labor market needs of The Bahamas, the program will build upon these initial efforts by supporting the development, implementation and monitoring of a comprehensive business plan.

¹³ For example, in Barbados, 3 out of 11 board members represent the private sector. In Jamaica, out of 20 members, 6 are from the private sector, 2 from NCTVET itself, 9 from education/government sector, 1 from the trade unions, and 2 represent statutory bodies.

¹⁴ It should be noted that many community colleges in North America and comparable training schemes in Europe rely on state involvement and support.

INVESTING IN PEOPLE: EDUCATION AND TRAINING SUPPORT PROGRAM¹
(BH-L1003)

LOGICAL FRAMEWORK

Narrative	Indicators	Means of Verification	Assumptions
<u>Goal</u> The long-term accumulation of human capital in The Bahamas is enhanced through the development of a dynamic system of education and training that is aligned with the demands of the economy for skilled human resources.	The quality of life of Bahamians is improved as the level of human capital accumulation increases, more people can join the labor force, unemployment falls, and growth in major industries remains strong.	Living conditions surveys Number of new tourism developments; number of expansions of existing developments.	The national economy continues to grow and is not affected by factors that slow growth in a significant way. GOB continues to support policy and operational innovations in Education and Training. Implementation accompanied by social communication campaign
<u>Purpose</u> Educational needs of Bahamian youth population addressed effectively through targeted interventions.	<p>% of students attaining a C or above in three core subjects (English, math and biology) on the Bahamas General Certificate of Secondary Education is maintained through phase I (30% in 2005) and increases to 40% by the end of phase II.</p> <p>Increase in transition rate from secondary to BTVI from 5% in 2004 to 7% by the end of phase I and to 10% by the end of phase II.</p> <p>Increase in the number of students completing the “bridge program” from 0 in 2005 to 200 by the end of phase I and 500 by the end of phase II</p> <p>Increase in enrollment of 3 and 4 year olds in early education programs in the Family Islands from 50% in 2005 to 55% by the end of phase I and 60% by the end of phase II.</p> <p><i>The Early Childhood Laboratory Center is established and</i></p>	<p>MOE records and statistics</p> <p>BTVI records and statistics Evaluation Report - Phase I</p> <p>BTVI records and statistics Evaluation Report - Phase I</p> <p>MOE records and statistics Evaluation Report - Phase I</p> <p>PMU bi-annual reports Evaluation Report - Phase I</p>	<p>Bill and regulations on Early Childhood enacted.</p>

¹ Indicators measured at the end of phase I are intended to be intermediary indicators and to serve a dual purpose: evaluate the performance of phase I and benchmark progress phase II.

Narrative	Indicators	Means of Verification	Assumptions
	<i>operational.*</i>		
<p><u>Deliverables:</u></p> <p>1) A regulated TVET system characterized by a permanent relationship with the employment sector and fully articulated at the secondary and post-secondary level.</p>	<p>Decrease in the % of employers experiencing difficulty in finding and keeping qualified employees from 65% in 2004 to 55% by the end of phase I and 40% by the end of phase II</p> <p>25% of courses in targeted areas (hospitality, construction and IT) aligned with CARICOM regional standards by the end of phase I and 50% by the end of phase II</p> <p>Increase in student completion of BTVI courses in targeted areas (hospitality, construction and IT) from 24% in 2005 to 35% by the end of phase I and 50% by the end of phase II.²</p> <p><i>Legislation establishing the National Workforce Development Council and regulations describing its functions have been sent to Cabinet and are under consideration.*</i></p> <p><i>Legislation for a semi-autonomous BTVI and its permanent governing body has been sent to Cabinet and is under consideration.*</i></p> <p><i>A model for secondary TVET updating and delivery is approved by MOE.*</i></p> <p><i>The E literacy core is operational in 50% of all public high schools.*</i></p> <p><i>The PPP is operational and funded exclusively by the private sector.*</i></p>	<p>PPP surveys</p> <p>MOE records (Special Programs Unit)</p> <p>BTVI records and statistics</p> <p>PMU bi-annual reports</p> <p>PMU bi-annual reports</p> <p>MOE records</p> <p>MOE records Evaluation Report - Phase I</p> <p>PMU bi-annual reports Evaluation Report - Phase I</p>	<p>PMU is established and all positions are filled.</p> <p>GOB grants BTVI more autonomy.</p> <p>Private sector maintains its willingness to participate in the improvement of TVET and education. MOE will attract suitable candidate to fill BTVI leadership position.</p> <p>Social Communication campaigns successful in creating support for the initiatives.</p>
<p>2) Quality of early education programs improved.</p>	<p>50% of provisionally registered preschool programs in compliance with amended regulations by the end of phase I and 90% by the end of phase II.</p>	<p>MOE records Evaluation Report - Phase I</p>	<p>Successful stakeholder consultations resulting in consensus on standards of practice.</p>

² BTVI currently does not offer any classes in hospitality. Loan resources will be used to enable them to offer courses in this area. It is expected that these courses will be operation by the end of year 2 of the Program.

Narrative	Indicators	Means of Verification	Assumptions
3) School capacity strengthened in order to accommodate students with a wide range of learning needs.	<i>Regulations for early education have been implemented and distributed to stakeholders.*</i>	MOE records Evaluation Report - Phase I	Government, teachers and civil society are supportive of the inclusion policy.
	At least one administrator/school and one teacher/grade in all primary and all-age schools completed sensitivity training related to students with special needs by the end of phase I and all administrators and all teachers in primary and all-age schools have completed sensitivity training related to students with special needs by the end of phase II	MOE records and statistics	
4) Enhanced management of the education sector.	<i>The demonstration school experience for inclusive education has been evaluated.*</i>	Final report on the evaluation of the demonstration school experience.	
	50% of departments/units in MOE/BTVI utilize the management information system to monitor functions and tasks by the end of phase I and 90% by the end of phase II.	MOE/BTVI records and statistics Evaluation Report - Phase I	
	<i>MOE Draft Strategic Plan for 2008-2012 is approved by the Minister of Education.*</i>	MOE records	
	<i>E Education Plan is approved by MOE.*</i>	Ministerial resolution	

* FOR PHASE II, 80% (8 OF 10) OF TRIGGERS SHOULD BE COMPLETED.