

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BELIZE

EDUCATION QUALITY IMPROVEMENT PROGRAM

(BL-L1018)

LOAN PROPOSAL

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ELECTRONIC LINKS	
REQUIRED	
1.	Plan of Activities (POA) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38892827
2.	Monitoring & Evaluation Arrangements http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38745718
3.	Procurement Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38907779
4.	Safeguard and Screening Form for Screening and Classification of projects (SSF) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38690930
OPTIONAL	
1.	Program Operations Manual http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38802638
2.	List of References http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38802744
3.	Economic Analysis http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38802779
4.	Office of Institutional Integrity (OII/OII), "Belize: Integrity Risk Note," Washington DC Nov. 2013 http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38241310

ABBREVIATIONS

AOP	Annual Operating Plans
CARICOM	Caribbean Community
CDB	Caribbean Development Bank
CEO	Chief Executive Officer
CPD	Country Programming Document
CXC	Caribbean Examination Council
DEM	Development Effectiveness Matrix
EMIS	Education Management Information System
EQIP	Education Quality Improvement Program
ESMR	Environmental and Social Management Report
ESS	Environmental and Social Strategy
GoB	Government of Belize
IDB	Inter-American Development Bank
LAC	Latin America and the Caribbean
MDE	Minimum Detectable Effect
MOEYS	Ministry of Education Youth and Sports
MoFED	Ministry of Finance and Economic Development
MSVU	Mount Saint Vincent University
NPV	Net Present Value
OC	Ordinary Capital
OII	Office of Institutional Integrity
PEU	Program Executing Unit
POD	Proposal for Operation Development
POM	Program Operation Manual
PSC	Program Steering Committee
PSE	Primary School Examination
PT	Principals Training
PTA	Parent Teacher Associations
RCT	Randomized Control Trial
SSF	Safeguard and Screening Form for Screening and Classification of Projects
SPF	Safeguard Policy Filter Report
TEI	Teacher Education Institutes
TLMI	Teacher-Led Math Inquiry
UNESCO	United Nations Organization for Education Science and Culture

PROJECT SUMMARY
BELIZE
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Financial Terms and Conditions			
Borrower: Belize Executing Agency: Ministry of Education Youth and Sports (MOEYS) through the Program Executing Unit (PEU)		Flexible Financing Facility*	
		Amortization Period:	25 years
		Original WAL	15.25 years
		Disbursement Period:	5 years
		Grace period	5.5 years
Source	Amount (US\$ million)	Supervision and Inspection Fee:	**
IDB (OC)	10.00	Interest Rate:	Libor-BASED
		Credit Fee:	**
Local	0.10	Currency of Approval:	US\$ chargeable to the Ordinary Capital
Total	10.10		
Project at a Glance			
Project Objective/Description: The overall objective of the operation is to improve the quality of primary education and the governance of Belize's education system. The specific objectives are to: (i) train approximately 50 percent of Teacher Education Institutes (TEI) pre-service instructors teaching methods courses and 46 percent of in-service teachers at the primary level; (ii) train approximately 37 percent of primary school principals in instructional leadership and administration; (iii) develop and implement an Education Management Information System (EMIS) for 100% of schools at the primary and secondary levels; and (iv) improve the profile of teacher candidates.			
Special contractual clauses: In addition to the standard conditions precedent to first disbursement set forth in the General Conditions, the following conditions must be complied with: As a condition prior to first disbursement: (i) approval of the POM by the MOEYS Chief Executive Officer (CEO), in form and substance satisfactory to the Bank (¶3.4); and (ii) approval by the MOEYS Chief Executive Officer of the list of names to establish the evaluation committee for procuring goods and services, to the satisfaction of the Bank (¶3.1).			
Exceptions to Bank policies: None			
Project qualifies for: SEQ <input checked="" type="checkbox"/> PTI <input checked="" type="checkbox"/> Sector <input checked="" type="checkbox"/> Geographic <input type="checkbox"/> Headcount <input type="checkbox"/>			

(*) Under the Flexible Financing Facility (FN-655-1) the Borrower has the option to request modifications to the amortization schedule as well as currency and interest rate conversions, in all cases subject to the final amortization date and original WAL. In considering such requests, the Bank will take into account market conditions and operational and risk management considerations.

(**) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable policies.

I. DESCRIPTION AND RESULTS MONITORING

A. Background, Problem Addressed, and Justification

- 1.1 The Government of Belize (GoB) has prioritized and invested heavily in education over the past few years.¹ However, there is a disconnect between the resources devoted to the sector and the education outcomes that are achieved. Important challenges remain with regard to quality of instruction, particularly in primary education, as well as governance mechanisms to monitor quality and equity levels throughout the system, two major objectives of the Government of Belize's Education Sector Strategy 2011-2016 (Näslund-Hadley 2013).²
- 1.2 An analysis of the quality of primary education shows that even though 92 percent of school-aged children attend primary school, the impact of primary schooling on student outcomes is extremely poor. Repetition rates are high, with only two in every five children enrolled in primary school completing this level in the prescribed eight years. Completion rates are low: only 48 percent of girls and 38 percent of boys enrolled in primary schools complete this level of education. Learning outcomes at the primary school level are discouraging: less than half of primary school graduating students (standard six students)³ are able to achieve at a satisfactory level in the primary education exit exam (PSE 2011). Boys do better in science, and girls in verbal and writing skills. The discouraging results of primary education, in a context of relatively high spending, can be explained by various factors, which include lack of governance mechanisms for quality assurance, and low quality of instruction in primary school classrooms (Arcia 2012).⁴
- 1.3 **The lack of governance mechanisms stems in part from the organization of the education system.** The Belizean education system is characterized by strong participation of private education providers. Most pre-primary, primary and secondary schools (81 percent) are privately operated with very limited government oversight, including both publicly subsidized schools and those that are not subsidized. In practice, most private schools are publicly funded (85 and 75 percent at the primary and secondary levels respectively) (MOEYS 2013). The managing authorities of the schools assume the responsibility for hiring teachers and managing the government resources and tuition they receive from students. At the primary level, schools are expected to implement a national curricular program, but the implementation is uneven (Arcia 2012). At the secondary level, the schools' managing authorities define their own curricular programs, resulting in variations in quality. No group of schools stands out as superior in terms of student

¹ Education spending represented around 7 percent of GDP in FY2011/12 and FY2012/13.

² A third objective of the Education Sector Strategy is increasing access to school, particularly for pre-school, secondary, and tertiary levels.

³ Based on the British education system, primary education consists of two years of infant classes followed by six standards.

⁴ Other important factors are the high private cost of schooling; low quality of instruction at the pre-primary and tertiary levels; lack of quality learning materials; and dilapidating infrastructure, including technology.

learning. Ministry of Education Youth and Sport (MOEYS) centers in each district are tasked with supervising the schools, but in practice these often lack the skills, knowledge, and human resources to do so. As a result, implementation of MOEYS regulations varies greatly across districts and schools.⁵ As information sent to the central MOEYS is frequently incomplete, the government lacks any real oversight of education quality (Arcia 2012b and Rapala 2007).

- 1.4 The overall assessment of quality assurance is that Belize has no properly functioning system for managing the education system and monitoring education quality (Arcia, 2012). In the private subsidized and non-subsidized schools, the MOEYS has no or little control over what goes on in the classrooms, what curriculum is implemented, what teaching practices are used, or teacher and student attendance rates; the schools and the churches handle these issues directly. The lack of an information system and monitoring capacity of the MOEYS precludes them from intervening in low performing schools in a timely manner. Test results are used passively, as they are not used to evaluate or monitor school performance.
- 1.5 Belizean schools have a high degree of autonomy, but World Bank school accountability indicators (Arcia and Patrinos 2011; Arcia et al. 2011) suggest that the lack of governance mechanisms for quality assurance results in low school accountability, both “upwards” towards the government, as mentioned above, and “downwards” towards users of the system. The MOEYS provides a subsidy for teacher salaries and school operations, but schools manage their budget autonomously. Teachers and principals are hired and fired at the school level in government financed privately operated schools, but teachers must abide by national licensing standards. In government schools, teachers and principals are appointed by the MOEYS district education offices. Parental involvement in school management is generally minimal, weakening provider accountability. The role of parents, through Parent Teacher Associations (PTA), has been relegated to a supporting role, helping schools raise funds, with in-kind support for social and school functions (Arcia 2012). The limited role of the PTA is worrisome in light of literature that highlights the importance of parent participation in school management to increase accountability (Arcia and Patrinos 2011).
- 1.6 With few exceptions, principals lack the necessary skills to be able to ensure good quality levels in their schools (Arcia 2012). In collaboration with their school management authorities, most private school principals are in charge of decisions regarding hiring and firing of teachers, managing school resources, and defining what textbooks to use and what curriculum to implement. In spite of these large responsibilities, there are no standards or competencies that define the knowledge, skills, attitudes, and dispositions that principals should have. Moreover, most principals lack training both as instructional and administrative leaders. The poor qualifications of principals may contribute to the lack of school compliance with the Education and Training Act rules: some principals do not

⁵ The Education and Training Act (2010) grants the MOEYS formal responsibility for the formulation of education policy goals and priorities.

comply with the maintenance of school records and reporting rules; and initial results from a curriculum survey indicate that many do not comply with the core content of the national curricula. This weak school leadership is troublesome in light of burgeoning research that indicates a link between student outcomes and instructional and administrative leadership of principals (Grissom et al. 2014 and Grissom and Loeb 2011).

- 1.7 **Research indicates that teacher quality is the most important school factor in the quality of instruction and student learning.**⁶ In response to increases in the primary school-aged population (from 47,000 in 2003 to 69,000 in 2013), the Belizean school system has hired large numbers of teachers, many of them without the necessary qualifications to teach. Thanks to this effort, the student/teacher ratio in primary schools (21:1) is in line with the average in the Latin America and Caribbean (LAC) region. However, the increase in the teacher force came at the cost of bringing down the proportion of trained teachers. Belize's rates of trained teachers are now lower than those of many other countries in LAC: while Costa Rica, Ecuador, El Salvador, Mexico, Panama, and Trinidad and Tobago all report that more than 80 percent of their primary school teachers are trained, in Belize only 47 percent of primary school teachers have the required training (MOEYS 2013).⁷ The insufficient proportion of qualified teachers as well as low quality of both teacher initial education and in-service teacher training programs affect the quality of instruction in primary school classrooms.
- 1.8 Teacher initial education is provided by the tertiary institutions in charge of teacher training, including three University of Belize campuses and five privately operated junior colleges. TEI records indicate that teacher students tend to have a weak academic profile in comparison with other courses of study. This may be the result of a negative social perception of the teaching profession, combined with low salaries compared to some other professions.⁸ A review of the teacher initial education programs identified weaknesses across the institutions, including: (i) an absence of a clearly defined education methodology and quality standards; (ii) lack of integration of content and pedagogy; (iii) weak partnerships with schools; (iv) absence of protocols and standards for supervision of teacher interns; (v) lecturers with limited competencies in the area of adult learning; and (vi) low level of math and science content. The issues identified in the area of in-service teacher training were similar, with the addition of weak instructional leadership of principals (Stewart 2011).

⁶ See Kane et al. 2013; Hanushek 2011; Rivkin et al. 2005; Rockoff 2004.

⁷ Trained teachers at the primary level are defined as those who have completed the Level 2 program or the 2+1 program or higher offered at the University of West Indies Campus in Belize.

⁸ Although no formal study has been carried out, the stakeholder consultations undertaken by the IDB in Belize suggest that the social perception is that the teaching profession is a default option for individuals who are not talented enough to pursue alternative careers. Teacher salaries range from around US\$11,000, the base salary for primary teachers, to around US\$23,000, the maximum pay level for both primary and secondary school teachers. However, teacher salaries are higher than in most other Central American countries, and only comparable to those salaries paid in Costa Rica and Panama.

- 1.9 In addition to the fact that many teachers lack the necessary qualifications to teach, those who have been trained lack the necessary content and pedagogical skills. As a result, teachers lack the necessary content knowledge to be effective in the classroom. Recently, primary school teachers and student teachers (those in their last year of teacher initial education), were asked to take the primary school leaving examination taken by standard six students every year. Throughout all subject areas (mathematics, english and science), 31 percent of current primary school teachers obtained a grade of C or lower in the primary school leaving examination. The results for student teachers were even worse, with 56 percent of candidates obtaining a grade C or lower. The teaching methods currently implemented are predominantly teacher-centered and do not actively engage students in activities that may help them develop analytical and critical-thinking skills (Hinermann et al 2014).
- 1.10 An additional constraint is that the early years' workforce is skewed towards women in Belize's primary schools. Of the country's 3,299 primary school teachers, only a quarter (877) is male. The lack of male role models is a concern in light of research that highlights the social importance of male teachers as role models for both girls and boys (McGrath and Sinclair 2013).
- 1.11 In an effort to identify a teacher training approach that works in the Belize context, in 2011/12 the MOEYS piloted a Teacher-Led Math Inquiry (TLMI) model called Visible and Tangible Math in the Belize City District (ATN/JF-12717-BL). The methodology is defined as structured inquiry, which provides students with the materials and step-by-step instructions for individual investigation and exploration of the concepts being taught. The visible and tangible math model was introduced as a school-wide approach that involved principals, school administrators, teachers, and students. The general training approach was to teach the teachers mathematical concepts in the way they were expected to teach students in their own classrooms: through inquiry and hands on activities which varied considerably based on the concept and level of student. Teachers also received in in-class tutoring and mentoring. The model was found to have a positive effect on student learning (Hinermannn 2014).
- 1.12 Once trained, teacher retention is quite high. Almost 30 percent of primary school teachers have been teaching for more than 16 years. Broadening this time span, about 45 percent of primary school teachers have been teaching for more than a decade (Arcia 2013).
- 1.13 **Program Strategy.** The primary strategy of the program is to improve the cost-effectiveness of education spending by focusing on the governance of the education system and the quality of instruction at the primary level. Prioritizing improvements in the governance of the system is crucial to ensure adequate mechanisms for quality assurance. While the quantity of inputs to an education sector has proved to be only weakly related to education outcomes, education outcomes are related to the institutional structure of the educational system and the incentives for different actors in the system (Hanushek, 2003;

Hanushek, 2008; Londoño, et al., 1996). Top-performing education systems tend to have solid governance mechanisms with quality assurance systems that set specific goals for all actors and make them responsible for achieving them (Hinermann et al 2014; Vegas and Petrow 2008; Vegas and Paglayan 2010). Two important cornerstones of such quality assurance systems that Belize lacks are strong principals and rigorous education information systems (§1.4 and §1.6). Research on the role of school principals positively links school leadership with student achievement (Waters et al. 2003), as long as principals are skilled in organization management (Grissom & Loeb 2011) and instructional leadership (Robinson et al. 2008). Case study research shows that high performing education systems invest heavily in developing these skills through hands-on programs for principal professional development such as internships, shadowing of experienced principals, and job-embedded mentoring (Darling Hammond & Rothman 2011). As mentioned earlier, principals in Belize enjoy a high level of autonomy, which makes their role in quality assurance all the more important. Therefore, the program will support hands-on principal training in organization and instructional management. However, an analysis of high performing education systems suggests that having good principals, while necessary, is not sufficient. These systems have mechanisms in place to ensure that there is adequate data in the system to inform improvement (Darling-Hammond 2010, Darling-Hammond & Wentworth 2010). School and student data are used to identify improvement needs and to determine when it is necessary to intervene in underperforming schools. High performing education systems have Education Management Information Systems (EMIS) that collect, process, organize, and make data available to suit the needs of various types of users, whether at the central level for policy planning, at the district level for the development of district improvement plans, or at the school level to inform teaching. Thus, the program will finance the development and implementation of an integrated EMIS platform that will allow users to access data necessary for improvement planning at different levels of the system.

- 1.14 Second, the training of primary level teachers in the core subjects – math, science and language arts – is prioritized as teacher quality is the most important school factor to improve student learning (§1.7). In addition, a strong base education is essential to eventually improving academic achievement, secondary and post-secondary level graduation rates, and hence the cost-effectiveness of education spending. Research suggests that effective teacher professional development programs are hands-on, allow for the analysis in situ of instructional practice, and focus on the development of content-specific teaching skills (Darling-Hammond 2009). In language arts, the most effective programs for teaching reading combine the development of visual and auditory perceptual skills, vocabulary, and comprehension skills, with phonics instruction and repeated reading opportunities (Hattie, 2009). In science, there is a growing body of literature that supports a shift from teacher centered pedagogical methods to some degree of student inquiry (Healy 1990; Lowery 1998). A recent meta-analysis indicates that teacher-led inquiry-based methodologies are more effective than purely student-led methodologies (Furtak 2012). In math, comprehensive

reviews, such as Hiebert and Grouws (2007) tend to recommend a focus on conceptual understanding and procedural fluency, mathematical argumentations and communication, problem solving and problem posing, and multiple representations and connections. The program will thus support the implementation of hands-on teacher professional development for in-service teachers that specifically focus on how to organize language arts, science, and math instruction according to these principles. The content of the primary education curriculum will be taught to teachers through the hands-on approach that was successfully in the Belize City District (§1.10), where they participate in lessons that can be replicated in their own classrooms.

- 1.15 While building capacity among in-service teachers is crucial to improve the quality of education in schools in Belize, it is important to address the fact that in-service teachers will, at some point, be replaced with new incoming teachers. Thus, the program will support the training of teacher educators at TEI in the content-specific teaching methods outlined above so as to ensure that new generations of teachers are also equipped with the necessary skills to successfully promote student learning in language arts, science, and math. To further strengthen the teaching profession, the program will also support efforts to attract higher quality teacher candidates to the TEI, including male candidates (a virtually untapped pool of candidates for the primary education level). To increase selectivity, the program will also test alternative TEI entrance exams. Countries that rank at the top of international standardized learning tests have consistently succeeded in attracting qualified individuals to the teaching profession, which is one of the factors associated with teacher performance (Mourshed et al 2010).
- 1.16 **Strategic Alignment.** The program is consistent with the Bank's current Country Strategy with Belize 2013-2017 (GN-2746) that aims to improve education outcomes relative to investment in the sector. With respect to the governance of the education system, the strategy prioritizes the design and implementation of a quality assurance system based on clear standards for student learning and school management. With regards to quality of education, the strategy sets out to raise the qualifications of both in-service and future teachers, by establishing national teacher education and accountability standards, creating a national system for testing teacher content and pedagogical skills. The program is prioritized in the 2014 Country Programming Document (CPD) and consistent with its objectives and indicators for the Education Sector (GN-2756). The program is also in line with the lending targets of the Ninth Capital Increase (GCI-9) to support small and vulnerable countries and lending for poverty reduction and equity enhancement. The program will contribute to the Bank outputs of: (i) students benefited by education projects (girls, boys); and (ii) teachers trained. The program is also aligned with the IDB Strategy on Social Development (GN-2241-1), as well as with the Sector Framework Document for Education and Early Childhood Development (GN-2708-2), which prioritizes investments in teacher training and development to ensure that all students have access to effective teachers.

B. Objective, Components and Cost

- 1.17 The overall objective of the operation is to improve the quality of primary education and the governance of the Belize education system. The specific objectives are to: (i) train approximately 50 percent of TEI pre-service instructors teaching methods courses and 46 percent of in-service teachers at the primary level; (ii) train approximately 37 percent of primary school principals in instructional leadership and administration; (iii) develop and implement an EMIS for 100% of schools at the primary and secondary levels; and (iv) improve the profile of teacher candidates. This will be achieved through investments in three components.
- 1.18 **Component I: Improving the Quality of Teachers (US\$4.4 million).** The component aims to improve the quality of primary school teachers by raising the profile of teacher candidates, improving the quality of initial teacher education, and improving the skills of in-service teachers. To achieve this objective, the component is structured around three sub-components.
- 1.19 **Sub-component 1.1 – System for attracting and accepting higher quality entrants into teacher training.** The planned activities are: (i) marketing campaign to attract higher profile candidates for teacher training; and (ii) assessment of teacher training candidates to identify those who need remedial assistance during their teacher training.
- 1.20 **Sub-component 1.2 – Capacity-building of the TEI in their training of primary education teachers.** The planned activities are: (i) training, mentoring, and technical assistance to TEI department heads and administrators; and (ii) capacity building of TEI instructors and internship supervisors to improve teacher training in pedagogical practices in math, science, and english, focusing on how to link the teaching of content with concrete content specific pedagogy. The primary education math, science, and english curriculum will be taught to future teachers in the way they are expected to teach students.
- 1.21 **Sub-component 1.3 – On-site and distance practical professional development.** The planned activities are: (i) development of school level curriculum and lesson plans for math, science and english, based on the national curriculum. In math, the Visible and Tangible TLMI model will be used, and similar student centered teaching approaches will be used in science and english; (ii) development of formative assessment instruments to enable the continuous assessment of student competencies. The formative assessment instruments will be aligned with the learning outcomes of the national primary curriculum and the school level curriculum; and (iii) implementation of the lesson plans and formative assessments in the classrooms, including external training, tutoring and mentoring for principals and teachers currently in the classrooms.

- 1.22 **Component II: Governance of the Education System (US\$3.6 million).** The component aims to create a quality assurance system to improve education policy planning and accountability mechanisms at various levels of the education system, including schools, the TEI, and the MOEYS.⁹ To achieve this objective, the component is structured around two sub-components.
- 1.23 **Sub-component 2.1 - Strengthening of the quality assurance role of TEI.** The planned activities are: (i) creation of a feedback system to strengthen the capacity of TEI to monitor the quality of their services and outputs; (ii) training, mentoring, and technical assistance to principals, department heads, and administrators of the TEI on how to monitor and assure the quality of their services; and (iii) development of an entry into profession exam for new teacher candidates.
- 1.24 **Sub-component 2.2 – School quality assurance system.** The planned activities are: (i) training and technical assistance to principals to promote their leadership as the vehicle for improving school and student performance, including training on data collection and reporting processes, as well as the use of student data to identify teacher professional development needs and develop school improvement plans; (ii) creation of an integrated Education Information Management System (EMIS) with information on student enrollment and learning outcomes, student and teacher attendance, school infrastructure, use of curricula and textbooks, teacher qualifications, etc., to enable planning and quality assurance at various levels of the system (schools, district education offices, and central level); (iii) training and technical assistance to the MOEYS (central and district levels) and schools in the use of the EMIS for the purposes of quality assurance; and (iv) training and technical assistance to increase parent participation in school management.
- 1.25 **Component III: Evaluation (US\$0.7 million).** The component will finance the evaluation of the operation through two sub-components.
- 1.26 **Sub-component 3.1 – Evaluation of the pre-service teacher training.** A matching approach will be developed to build a control or comparison group. Prior to the training of TEI instructors, a survey will be administered to the instructors in order to register training methodology knowledge, as well as attitudes and perceptions in relation to their jobs.
- 1.27 **Sub-component 3.2 – Randomized Control Trial (RCT) of the on-site practical professional development for teachers and the principal training.** An RCT will be employed to assess the effect of the in-service teacher training on the knowledge, attitudes and perceptions of teachers towards teaching math, science, and reading. Student achievement will also be measured in the same subject areas. Two strategies will be used to measure the impact of the principal training: an RCT and a randomization inference approach.¹⁰

⁹ The prototype for the Education Information Management System (EMIS) will be developed and tested with resources from BL-T1057.

¹⁰ This dual evaluation approach will be taken because the lack of evidence on Principal Training (PT) programs makes the setting of an appropriate Minimum Detectable Effect (MDE) challenging.

- 1.28 **Cost.** The cost of the program is US\$10.1 million, of which US\$10 million will be financed with resources of the Ordinary Capital (OC) of the Bank, and US\$0.1 million will be covered through an in kind counterpart contribution. The following table details the project costs by component.

Table I-1. Summary of Costs (in 1,000 of US\$)

Component/Subcomponent	IDB	Counterpart	Total	%
Component I: Improving the Quality of Teachers.	4,391		4,391	43%
1.1 System for attracting and accepting higher Quality Teacher Training Candidates.	1,501		1,501	15%
1.2 Capacity building of the TEI in the training of primary education teachers.	595		595	6%
1.3 On-site Practical Professional Development.	2,296		2,296	23%
Component II: Governance of the Education System.	3,578		3,578	35%
2.1 Strengthening of Quality Assurance Role of TEI.	1,156		1,156	11%
2.2 School Quality Assurance System.	2,422		2,422	24%
Component III: Evaluation	748		748	7%
3.1 Evaluation of the pre-service teacher training.	348		348	3%
3.2 Randomized control trial of the on-site practical professional development in primary schools.	400		400	4%
Project Management	867	100	967	10%
4.1 Executing Unit/Project Execution Support	682	100	782	8%
4.2 Midterm and Final Review, including ex-post economic analysis	60		60	1%
4.3 Audit	125		125	1%
Contingency	416		416	4%
Total	10,000	100	10,100	100%

- 1.29 **Targeting.** The eligibility criteria laid out in Table I-2 will be used to identify the TEI that will be targeted by the system to attract and accept higher quality TEI entrants and by the capacity building of the TEI (Sub-Component 1.1 and Sub-Component 1.2). To ensure geographic representation, in places with more than one TEI, the institution with the largest annual number of graduates will be prioritized. Applying these criteria, the beneficiaries of the 2 Sub-Components would include six TEI and some five hundred prospective teachers and 80 (roughly 50%) TEI internship supervisors, administrators and teacher trainers in methods courses.

Table I-2. Eligibility Criteria for TEI

<ul style="list-style-type: none"> Offers primary level methods courses in english, mathematics and science At least 20 graduates per year on average Low teacher trainer turnover

- 1.30 The on-site professional development for teachers and the principal training (Sub-Component 1.3 and Sub-Component 2.2) will target publicly funded schools. The beneficiaries are laid out in Table I-3 below, including 129 of the country's primary schools, close to half of the country's students, and 1,200 of primary education teachers.

Table I-3. Approximate Numbers of Beneficiaries at Primary Schools (% of Total)

School Type	Primary Schools	In-Service Teachers	Students
Government	27 (50%)	510 (50%)	2,800 (50%)
Government financed privately operated	102 (50%)	690 (50%)	26,000 (50%)
Private	n/a	n/a	n/a
Total	129 (44%)	1,200 (46%)	28,800 (47%)

- 1.31 The approximate numbers of beneficiary schools of the governance activities (Component II) are laid out in Table I-4. The beneficiary schools of the principal training will either coincide with the beneficiary schools of the teacher in-service professional development, or be the result of a re-randomization (Table I-3). Not to overwhelm schools, the principal training is expected to be initiated after the continuous professional development.

Table I-4. Number of Beneficiary Schools Governance Component (% of Total Schools)

School Level & Type		Principal Training	Parental Training	EMIS
Primary	Government	27 (50%)	27 (50%)	54 (100%)
	Government financed privately operated	102 (50%)	102 (50%)	205 (100%)
	Private	n/a	n/a	35 (100%)
Secondary	Government	n/a	n/a	17 (100%)
	Government financed privately operated	n/a	n/a	26 (100%)
	Private	n/a	n/a	9 (100%)
Total		129 (37%)	129 (37%)	346 (100%)

C. Key Results Indicators

- 1.32 The expected outcome of the project is improved quality of primary education and governance of the education sector. The outcome indicators of the program will include increases in: (i) proportion of prospective teachers in the targeted TEI with an overall grade of B or higher on content exam; (ii) proportion of in service primary education teachers in the targeted schools with an overall grade of B or higher on content exam; (iii) proportion of teachers in the targeted schools who report that they are appraised by their principal; (iv) proportion of school supervision reports in targeted schools that are made public on the MOEYS website; and (v) proportion of new male student teacher candidates in TEI. In addition to these direct outcomes, indirectly the capacity building of the MOEYS, which will be provided within the framework of the program, is expected to build its institutional competency, increase sustainability and lay the foundation for a possible future nationwide expansion of the program.
- 1.33 The outputs of the Component I will include: (i) marketing campaign to attract teacher candidates developed and implemented; (ii) approximately 80 methods teacher trainers and other TEI staff trained; and (iii) some 1,200 in-service teachers trained. The outputs of Component II will include: (i) 320 of primary school principals, general and local managers, principal education officers and education officers trained in school administration and educational leadership; (ii) 450 parents trained; and (iii) an EMIS in operation.

D. Economic Viability

- 1.34 The program is expected to increase the cost-effectiveness of primary education primarily by increasing student learning, but also by decreasing administrative

costs. The ex ante economic analysis of the benefits of the program indicates that the Net Present Value (NPV) for Component I and Component II is positive, at the 12% annual discount rate typically used for IDB projects. The economic sustainability is robust as reflected by a NPV that reaches 109% of the total cost of the program in a conservative scenario for Component I and 106% for Component II. The most important mechanisms through which this impact arises for the program are: (i) for Component I, an increase in the academic performance, leading to increased retention and expected lifetime earnings of students; and (ii) for Component II, cost savings from decreased consultancy and staff time devoted to information gathering and data entry ([Economic Analysis](#)).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing Instruments

- 2.1 This is an investment loan in the amount of US\$10 million financed by the Inter-American Development Bank (IDB) from OC resources. The local counterpart contribution of US\$0.1 million will be provided in kind. The table below shows the tentative disbursement schedule for the operation.

Table II-1. Disbursement Schedule (US\$ million)

Financing	Year 1	Year 2	Year 3	Year 4	Year 5	Total
IDB	1.01	2.00	2.03	2.99	1.96	10.00
Local	0.02	0.02	0.02	0.02	0.02	0.10
Total	1.03	2.02	2.05	3.01	1.98	10.10
Percent	10%	20%	20%	30%	20%	100%

B. Environmental and Social Safeguard Risks

- 2.2 Based on the guidelines of the Environment and Safeguards Compliance Policy (GN-2208), the operation is classified as Category "[C](#)" as it is not expected to generate any negative environmental and/or social impacts (see Safeguard and Screening Form for Screening and Classification of projects (SSF)).

C. Fiduciary Risk

- 2.3 During program preparation, the Bank's Office of Institutional Integrity (OII) conducted an assessment of the institutional capacity of the MOEYS ([Belize: Integrity Risk Note](#)). The OII determined that the overall risk associated with program execution is medium, including opportunities for improvement in the areas of procurement and fiduciary management, monitoring and accountability, development, and public management and governance. Based on the identified fiduciary and procurement risks mitigation measures have been developed, including the use of the Bank's procurement and fiduciary policies and practices; and direct disbursements for large contracts, following the same model that is used for the execution of the Belize Education Reform Program of the Caribbean Development Bank (CDB). In terms of development risks, monitoring

and accountability risks, as well as public management and governance risks, PRODEV resources (ATN/OC-14347-BL) will be used to strengthen the institutional capacity of the MOEYS. In addition, the Project Execution Unit (PEU) will be reinforced with three additional members. Moreover, although the program has been well received by teachers and their union, a marketing campaign and continued stakeholder consultations are foreseen as needed to ensuring the continued commitment of all key actors.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of Implementation Arrangements

- 3.1 The MOEYS through the Project Executing Unit (PEU) will be responsible for the execution of the loan. The PEU will be the sole unit responsible for the entirety of the program, including: (i) the monitoring of progress and results; (ii) the procurement of goods and services; (iii) the processing of eligible payments; (iv) the financial management; (v) the execution of IDB supervision-related activities; and (vi) the reporting to IDB and other government entities. The PEU will comprise a program coordinator, a program officer, a financial specialist, a procurement specialist and an administrative assistant. **As a special contractual condition prior to first disbursement, the MOEYS Chief Executive Officer shall approve, to the satisfaction of the Bank, a list of names to establish the evaluation committee for procuring goods and services.**
- 3.2 **Reports.** The PEU is responsible of preparing semi-annual and annual reports for the MOEYS and IDB detailing: (i) the progress regarding the activities and outputs in the Annual Operating Plans (AOP) and the intermediate outcomes, according to program indicators; (ii) the financial progress in terms of commitments, payments and disbursements under the loan and an updated financial plan; (iii) annual financial statements audited by a firm of independent auditors acceptable to the Bank; (iv) the updated AOP and related budgets for the next 12 months; and (v) the updated procurement plan.
- 3.3 **Implementation supervision system.** A Program Steering Committee (PSC) comprising representatives from different organizations will provide policy direction and support to the Education Quality Improvement Program (EQIP). The PSC is already established and meets regularly as it was created in support of the Belize Education Reform program of the CDB. The PSC will meet periodically to receive information about the overall progress of the program, discuss policy issues and make recommendations to address any bottlenecks. The prime responsibilities of the PSC are to: (i) ensure an integrated, effective and efficient project execution through timely guidance and strategic policy level decision making; (ii) provide oversight regarding the consistency of the loan contract and project implementation with MOEYS policies and programs; and (iii) promote strong communication links and the dissemination of information regarding project activities to the key stakeholders and general public. In addition,

the Ministry of Finance and Economic Development (MoFED) will have an active advisory and monitoring role with respect to the utilization of loan funds, making recommendations regarding annual budgetary allocations for the program, giving consideration to physical goals and commitments, and participating in all IDB administrative missions.

- 3.4 **Operation Manual.** The [Program Operation Manual \(POM\)](#) sets out the terms and conditions, and details the procedures and coordination mechanisms for the operational, administrative and financial management of the program. **As a special contractual condition prior to the first disbursement, the POM shall have been approved by the MOEYS Chief Executive Officer (CEO), in form and substance satisfactory to the Bank.**
- 3.5 **Procurement.** Procurement of goods and works as well as the procurement of consulting services to be financed with resources of the program will be carried out by the PEU in accordance with the Policies for the Procurement of Works and Goods Financed by the Bank (GN-2349-9); and the Policies for the Selection and Contracting of Consultants Financed by the Bank (GN 2350-9) both of March 2011. [Annex III](#) includes details on program procurement. When submitting its semi-annual reports, the executing agency will also submit updated versions of the procurement plan and the AOP.
- 3.6 With respect to the contracting of consulting services for the teacher entry into profession exam, it is recommended that the Board of Directors approve the direct contracting of the Caribbean Examination Council (CXC) for the development, piloting and implementation of a teacher profession entry exam, including the training of MOEYS officials. The CXC is considered an agency with exceptional worth for the assignment in accordance with 3.10(d) of the Bank's Policies for Selection and Contracting of Consultants (GN-2350-9). The CXC was established in 1973 by the Caribbean Community (CARICOM) to provide the region with syllabuses of the highest quality; valid and reliable examinations; and certification of international repute, abilities and interests; as well as services to educational institutions in the development of syllabuses, examinations and examination administration in the most cost-effective way. CXC has experience in the development of entry into profession exams for other professions and its reputation will bring assurance to all stakeholders that the exam will be fair and accurately capture test takers' content and pedagogical knowledge. The tools developed and the experience that the CXC would gain in Belize, have the potential of befitting other CARICOM countries with interest in adopting an entry into profession exam for primary school teachers.
- 3.7 With respect to the contracting of consulting services for the EMIS, it is recommended that the Board of Directors approve the direct contracting of the Community Systems Foundation. In accordance with paragraph 3.6(c) of the IDB's Policies for the Procurement of Goods and Works (GN-2349-9), the sole sourcing is justified since the services are available from only one source. Based on a review of different EMIS, the MOEYS has selected the OpenEMIS software

of the United Nations Organization for Education Science and Culture (UNESCO) as it is the most suitable tool for the Belize education system. The OpenEMIS software was designed to constitute a basic, customizable and affordable EMIS tool for countries with weak statistical database to be able to adapt it to the needs of specific national contexts. The software is available free of charge to UNESCO member countries. Since it is an open source software, the MOEYS has the freedom to adapt the instrument to its specific needs. The non-profit Community Systems Foundation has been a partner of UNESCO in the development of the OpenEMIS software and is the only organization tasked by UNESCO to implement the software in UNESCO member countries.

- 3.8 With respect to the contracting of consulting services for the teacher training component, it is recommended that the Board of Directors approve the direct contracting of Mount Saint Vincent University (MSVU) for the implementation of the activities of Sub-Component 1.2 and Sub-Component 1.3. The MSVU is qualified and considered an agency with exceptional worth for the assignment in accordance with 3.10(d) of the Bank's Policies for Selection and Contracting of Consultants (GN-2350-9). Following a competitive bidding process, the MSVU successfully developed and implemented a TLMI training model in the Belize City District (ATN/JF-12717-BL). As a result of positive effects identified through a rigorous external evaluation of the project, the MOEYS requested the present lending operation to bring the TLMI model to scale, and develop and implement corresponding inquiry-based teaching models for science and english.
- 3.9 **Audits.** An external audit of the program will be performed by a firm of independent auditors acceptable to the Bank. The cost of the audits will be financed with program resources. Standard financial reporting requirements of the Bank will apply, including: (i) the annual financial audit report of the program to be submitted within 120 days following the end of each program fiscal year; and (ii) a final financial audit report of the program to be submitted within 120 days after the date of the last disbursement.

B. Summary of Arrangements for Monitoring Results

- 3.10 **Monitoring and Evaluation.** Besides the AOP and the Annual Procurement Plans, the PEU will submit semi-annual progress reports throughout the life of the project execution, within 60 days following the end of each semester. The Bank's project team will conduct a midterm review of the program in order to assess the progress of the execution of the program. In addition, the PEU will keep all relevant administrative information available to facilitate this review. The impact evaluation will be financed with program resources (Component III) as well with resources from the technical cooperation Monitoring System for School Leadership and Education Quality (ATN/KP 14346-BL). The project contemplates a rigorous evaluation, including a quasi-experimental evaluation of the pre-service teacher training and an RCT to evaluate the on-site professional development of teachers and principals (see ¶1.25 through ¶1.27). See [Monitoring and Evaluation Arrangements](#) for more details.

Development Effectiveness Matrix			
Summary			
i. Strategic Alignment			
1. IDB Strategic Development Objectives		Aligned	
Lending Program		i) Lending to small and vulnerable countries, and ii) Lending for poverty reduction and equity enhancement.	
Regional Development Goals			
Bank Output Contribution (as defined in Results Framework of IDB-9)		i) Students benefited by education projects (girls, boys), and ii) Teachers trained.	
2. Country Strategy Development Objectives		Aligned	
Country Strategy Results Matrix	GN-2746	(i) Proportion of prospective teachers in Belize with an overall grade of B or higher on the Primary School Examination (PSE) exam; (ii) Proportion of in-service primary education teachers in Belize with an overall grade of B or higher on the PSE exam; (iii) Proportion of teachers who report that they are appraised by their principal; (iv) Proportion of school supervision reports that are made public on the website of the Ministry of Education youth and Sports.	
Country Program Results Matrix	GN-2756	The intervention is included in the 2014 Country Program Document.	
Relevance of this project to country development challenges (If not aligned to country strategy or country program)			
ii. Development Outcomes - Evaluability		Highly Evaluable	Weight
		9.5	10
3. Evidence-based Assessment & Solution		9.1	33.33%
3.1 Program Diagnosis		3.0	
3.2 Proposed Interventions or Solutions		4.0	
3.3 Results Matrix Quality		2.1	
4. Ex ante Economic Analysis		10.0	33.33%
4.1 The program has an ERR/NPV, a Cost-Effectiveness Analysis or a General Economic Analysis		4.0	
4.2 Identified and Quantified Benefits		1.5	
4.3 Identified and Quantified Costs		1.5	
4.4 Reasonable Assumptions		1.5	
4.5 Sensitivity Analysis		1.5	
5. Monitoring and Evaluation		9.3	33.33%
5.1 Monitoring Mechanisms		1.8	
5.2 Evaluation Plan		7.5	
iii. Risks & Mitigation Monitoring Matrix			
Overall risks rate = magnitude of risks*likelihood		Medium	
Identified risks have been rated for magnitude and likelihood		Yes	
Mitigation measures have been identified for major risks		Yes	
Mitigation measures have indicators for tracking their implementation		Yes	
Environmental & social risk classification		C	
iv. IDB's Role - Additionality			
The project relies on the use of country systems			
Fiduciary (VPC/PDP Criteria)	Yes	Financial Management: Accounting and Reporting	
Non-Fiduciary			
The IDB's involvement promotes improvements of the intended beneficiaries and/or public sector entity in the following dimensions:			
Gender Equality	Yes	The early years' workforce is skewed towards women in Belize's primary schools. The lack of male role models is a concern in light of research that highlights the social importance of male teachers as role models (paragraph 1.10). The project will seek to attract more men to the TEIs.	
Labor			
Environment			
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project		Yes	Prior to the approval of the project financial and procurement training will be provided to the Project Executing Unit. In addition, PRODEV resources will be used to [BL-T1069] to strengthen the institutional capacity of the MOEYS to execute the operation.
The ex-post impact evaluation of the project will produce evidence to close knowledge gaps in the sector that were identified in the project document and/or in the evaluation plan		Yes	Limited research is available on what works in in-service and pre-service teacher training in developing countries. The proposed quasi-experimental evaluation of the Pre Service Training Program (PSTT) program and the proposed RCT of the in-service teacher training will help build knowledge about what works in the training of teachers and their instructors. Case study research shows that high performing education systems invest heavily in developing the skills of principals through hands-on programs for principal professional development such as internships, shadowing of experienced principals, and job-embedded mentoring. The proposed evaluation of the Principal Training (PT) will contribute to this body of knowledge through a more rigorous evaluation approach than the available case studies. We will employ two strategies to measure the impact of PT program: an RCT and a randomization inference approach. This dual evaluation approach will be taken because the lack of evidence on PT programs makes the setting of an appropriate minimum detectable effect (MDE) challenging.

The program identifies the lack of governance mechanisms in the education system and deficient teacher quality as factors that contribute to the low quality of primary education. The proposed intervention involves training of principals, teacher trainers, parents and teachers along with a marketing campaign to attract qualified candidates into the teaching profession. There is evidence of effectiveness of the proposed solution.

Regarding the results matrix, the project does not directly measure the stated project objective on the quality of primary education. The project instead measures as an impact indicator the proportion of in service primary education teachers with an overall grade of B or higher on content exam. The vertical logic is not clear. Students benefited by trained teachers do not contribute to any of the indicators in the following levels. Most output indicators are SMART, except for those related to the marketing campaign strategy and the evaluation's RCT, which are not specific or measurable.

The project includes a cost benefit analysis with an IRR of 12.5%. Regarding monitoring arrangements (for the PMR), the cost for teachers trained is not included on the output costs table and the sum of total planned costs for all outputs excludes the counterpart funding. Regarding evaluation, the teacher and principal training components will be evaluated through an RCT. The evaluation plan includes both ex-post cost benefit and cost effectiveness analyses.

RESULTS FRAMEWORK MATRIX OF INDICATORS

Project Objective	The overall objective of the operation is to improve the quality of primary education and the governance of the Belize education system. The specific objectives are to: (i) train approximately 50 percent of TEI pre-service instructors teaching methods courses and 46 percent of in-service teachers at the primary level; (ii) train approximately 37 percent of primary school principals in instructional leadership and administration; (iii) develop and implement an EMIS for 100% of schools at the primary and secondary levels; and (iv) improve the profile of teacher candidates. This will be achieved through investments in three components.
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Impact Indicator			
Indicator	Unit	Target Level	Comments
Proportion of in service primary education teachers in the targeted schools with an overall grade of B or higher on content exam.	69.0% (2012)**	75.9%	Source: Program Evaluation Report.

Outcome Indicators	Base Levels*	Target Level	Comments
Proportion of prospective primary education teachers in the targeted TEIs with an overall grade of B or higher on content exam.	43.6% (2012)**	50.1%	Source: Program Evaluation Report.
Proportion of teachers in the targeted schools who report that they are not appraised by their principal.	65.5% (2012)***	59.0%	The indicator covers all primary and secondary schools in the country. Source: Program Evaluation Report.
Proportion of school supervision reports that are made public on MOEY website.	0% (2013)***	25.0%	The indicator covers all primary and secondary schools in the country. Source: Program Evaluation Report.
Proportion of new male student teacher candidates in Teacher Education Institutes.	19.61% (2011-13)****	21.6%	The calculation will be made based on data from all TEIs in the country. Source: Program Evaluation Report.

* The base levels will be updated at the beginning of the first year of the operation.

* *PSE exam applied to a nationally representative sample of teachers.

***Teacher and learning survey questionnaire applied to a nationally representative sample of teachers.

****Three year compounded average

Component 1	Base	Year 1	Year 2	Year 3	Year 4	Target	
Outputs							
Marketing campaign strategy to attract teacher candidates developed and implemented.	0	(Developed)	1 (Implemented)			1 (Implemented)	The marketing campaign will be considered implemented once promotion activities have been undertaken through TV Spots, Newspaper ads and social media outreach activities. Source: Program Progress Report.
# of teacher trainers who teach methods courses in science, math and language arts, and administrative TEI staff trained.	0		80			80	Administrative TEI staff refers to department chairs and program coordinators in the 6 targeted TEIs. Source: Program Progress Report.
# of teachers trained	0		200	450	550	1,200	Approximately 50% of in-service teachers in publicly financed primary schools. Source: Program Progress Report.
Component 2	Base	Year 1	Year 2	Year 3	Year 4	Target	
Outputs							
# of primary School Principals, General and Local Managers, and Education Officers trained in school administration and educational leadership.	0			320		320	Beneficiary parents belong to approximately 47% of the country's primary schools. Source: Program Progress Report.
# of parents trained to increase their participation in school management.	0			350	100	450	Beneficiary parents belong to approximately 47% of the country's primary schools. Source: Program Progress Report.
# of girls benefitting from trained teachers	0			6,800	14,180	14,180	Beneficiary students belong to approximately 47% of the country's primary schools. Source: Program Progress Report.
# of boys benefitting from trained teachers				7,000	14,620	14,620	Beneficiary students belong to approximately 47% of the country's primary schools. Source: Program Progress Report.
Integrated Education Management Information System (EMIS) in operation.	0		40%	80%	100%	100%	The EMIS will be considered in operation in a school once its students and teachers are registered in the EMIS. The indicator covers all primary and secondary schools in the country. Source: Program Progress Report.

Component 3	Base	Year 1	Year 2	Year 3	Year 4	Target	
RCT implemented					1	1	The RCT will be implemented in Government schools and Government financed privately operated schools. Source: Program Evaluation Report.

FIDUCIARY ARRANGEMENTS

COUNTRY: Belize

PROJECT N° BL-L1018 **NAME:** Education Quality Improvement Program

EXECUTING AGENCY: Ministry of Education, Youth and Sports (MOEYS)

FIDUCIARY TEAM: Paula Louis-Grant and John Primo

I. Executive Summary

- 1.1 Program BL-L1018 will provide a \$10 million loan from the Ordinary Capital (OC) Resources to finance the improvement in the quality of primary education, and the governance of the Belize education system. The Program will be executed by the Ministry of Education, Youth and Sports (MOEYS) through a Project Execution Unit (PEU).
- 1.2 The Bank conducted an integrity risk assessment of the MOEYS in 2013 to assess MOEYS's overall management capabilities. The assessment indicates that there are insufficient human and financial resources to effectively execute the Program and conclude a medium risk. Based on the assessment and the magnitude of the program, it is recommended that additional support be hired for procurement and financial management to enable timely execution. The IDB's policies and procedures will be applicable to procurement and financial management overall. The use of country systems is not yet available for the procurement of goods, consulting services or non-consulting services for the Program the Bank is currently assisting the government with modernizing and strengthening its procurement and financial systems and advance toward increased use of country systems.
- 1.3 The last Public Expenditure and Financial Accountability Assessment (PEFA) for Belize, took place in 2009, concluded that some progress had been made in recent years to reform the PFM system in Belize through the undertaking of a number of measures, although important challenges remain. Further, the report maintained that a comprehensive and integrated government reform plan was non-existent.
- 1.4 Public Financial Management (PFM) in Belize comprises most of the main functions for budget formulation, budget execution, cash management, accounting, and external control; however, internal audit functions are non-existent and the procurement system not inadequately developed. The Government of Belize (GoB) is aware of these deficiencies and has expressed its commitment to improving its PFM functions and systems. In this regard, IMF-CARTAC, World Bank-SEMCAR, and IDB, have been providing, over the last 10 years, substantial Technical Assistance (TA) in PFM areas; nevertheless, the volume of TA received is not reflected in the level of progress achieved. This problem can be explained by the considerable power and autonomy to the Line Ministries (LMs), making it difficult for the Ministry of Finance and Economic Development (MFED) to implement TA recommendations. Additionally, another important cause for the problem is the lack of personnel and institutional capacity of the officers in charge of managing the PFM systems; all of them are public servants under

the same rules of the Ministry of Public Service (MPS) and there is no specific career-stream or regular training program for specific a PFM profile.

- 1.5 For this project the Bank is recommending the use of the national financial system, Smart Stream (SS), for the financial administration of the project by the PEU on a pilot basis and an off the shelf accounting package to assist with the financial reporting. A firm of independent public accountants acceptable to the Bank is recommended as the external auditor.

II. Executing Agency's Fiduciary Context

- 2.1 The results of the assessment indicate that the MOEYS do not have the necessary institutional capacity to execute this Program. The assessment indicated that even though the MOEYS shows commitment to the execution of the Program, the PEU lacks the human and financial resources to execute the Program.
- 2.2 It is recommended that MOEYS use SS on a pilot basis for the financial administration of the project, that semi-annual progress reports be submitted to the Bank including information of the execution of the budget by category and source of funding and annual financial statements of the program audited by a firm of independent public accountants eligible to the Bank be prepared for presentation to the Bank.
- 2.3 Whilst Smart Stream will be used on a pilot basis for the overall financial administration of the project, it is recommended that an off-shelf accounting program be used as a parallel system in the interim until the use of SS be reviewed after the presentation of the first Audited Financial Statements.

III. Fiduciary risk evaluation and mitigation actions

- 3.1 The Project Team, in consultation with various stakeholders, has identified the major risks that are likely to affect the proposed project. A Risk Mitigation Matrix has been developed which outlines the necessary mitigation actions to be taken. A joint review of the Matrix will be undertaken on an annual basis and any necessary additional mitigation actions will be adopted.
- 3.2 Based on the evaluation, we believe that whilst MOEYS is committed to the execution of this program and have experience executing the CDB financed operation, it lacks the human capacity to execute the new loan and also carry on its other commitments. Based on the assessment of country systems undertaken by the Bank in 2013, and the integrity assessment conducted in 2013, the fiduciary risk has been ranked as medium. It is recommended that the existing PEU in MOEYS be strengthened with the following human resources: a Procurement Specialist and Financial Specialist – this will be funded from grant resources and once the program becomes eligible, will be funded from counterpart resources. The Bank will finance a Long-term International Consultant to assist the PEU and MOEYS on technical matters related to execution of the programs' components and sub-components.

IV. Aspects to be considered in the Special Conditions of Contract

4.1 In order to move forward the contract negotiations by the project team and mainly by LEG, herein are those fiduciary arrangements that must be considered in the special conditions:

- a. **Prior to the first disbursement:** in accordance with the Bank, the Executing Agency will send to the Bank evidence that: the POM has been approved by the MOEYS Chief Executive Officer (CEO); and (ii) the MOEYS Chief Executive Officer has approved a list of names to establish the evaluation committee for procuring goods and services.
- b. **Rate of Exchange Agreed with the Executing Agency.** The application of the exchange rate has been agreed with the Executing Agency as follows: (i) Reimbursement of Expenses made: - the effective rate of exchange on the date of payment of each expenditure, as published by the Central Bank of Belize; (ii) Reporting on Accounts or justification of the Advance of Funds:- the effective rate of exchange used in the conversion of the currency of the operation to the local currency; and (iii) Disbursements in alternate currencies from the US Dollar and the Belize Dollar:-In cases of direct payment and reimbursement of a guarantee of letter of credit, the equivalent of the currency of the operation will be fixed in accordance with the amount effectively disbursed by the IDB.
- c. **Financial Statements and Reports, audited or unaudited:** (i) Semi-annual financial reports are to be included in the semi-annual progress report which will be submitted by the EA to the Bank; (ii) Annual financial statements of the project, audited by a firm of independent public accountants acceptable to the Bank, are to be submitted to the Bank within 120 days at the end of each fiscal year, beginning with the fiscal year in which the first project expenditures are incurred; and (iii) Final financial statements, audited by a firm of independent public accountants acceptable to the Bank, are to be submitted to the Bank within 120 days following the last disbursement date of the Program.

V. Fiduciary Arrangements for Procurement Execution

5.1 The procurement fiduciary arrangements establish the conditions applicable to all procurement execution activities in the project.

5.2 **Procurement Execution.** Procurements for the proposed project will be carried out in accordance with the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (GN-2349-9), of March 2011; and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9), of March 2011, and with the provisions established in the loan contract and this procurement plan. In addition, for all projects, the Borrower is required to prepare and submit to the Bank a draft General Procurement Notice.

- a. **Procurement of Works, Goods and Non-Consulting Services:** The procurement plan for the Program, covering the duration of project execution can be accessed through through the following [link](#) and indicates the procedure to be used for the procurement of goods, the contracting of works or non-consulting

services. The review of technical specifications in all cases, during the process of selection is the responsibility of the sector specialist of the operation.

- b. **Procurement of Consulting Services:** The procurement plan for the operation, covering the duration of project execution can be accessed through the following [link](#) and indicates the procedure to be used for the procurement of consultancy services, and the method of selecting consultants. The Borrower is responsible for preparing and implementing the project, and therefore for preparing the TORs, short lists, selecting the consultants, and awarding and subsequently administering the contract.
- **Sole Source Selection and/or Direct Contracting:** The requirements for Single Source Selection are provided for under Sections 3.6 and 3.7 (GN-2349-9) and Sections 3.9 – 3.13 (GN-2350-9). As laid out in paragraphs 3.6 through 3.8 of the Draft Loan Proposal, three direct contracts are foreseen: (a) the direct contracting of the Caribbean Examination Council (CXC) for the development, piloting and implementation of a teacher profession entry exam, including the training of MOEYS officials; (b) the direct contracting of the Community Systems Foundation for the consulting services for the EMIS; and (c) the direct contracting of Mount Saint Vincent University (MSVU) for the implementation of the activities of sub-components 1b and 1c.
 - **Selection of Individual Consultants:** Individual consultants are employed on assignments for which: (a) teams of personnel are not required; (b) no additional outside (home office) professional support is required; and (c) the experience and qualifications of the individual are the paramount requirement. Individual consultants are selected on the basis of their qualifications for the assignment. Advertisement is not required and consultants do not need to submit proposals. Consultants shall be selected through comparison of qualifications of at least three candidates among those who have expressed interest in the assignment or have been approached directly by the Borrower. Individual consultants may be selected on a sole-source basis with due justification in exceptional cases. This is to be carried out in accordance with Section V (Selection of Individual Consultants) of GN-2350-9 paragraphs 5.1-5.4.
 - **Training:** The detailed procurement plan indicates to which consultancy services training and workshops are applicable. As per GN-2350-9 if the assignment includes an important component for training or transfer of knowledge to Borrower staff or national consultants, the TOR shall indicate the objectives, nature, scope, and goals of the training program, including details on trainers and trainees, skills to be transferred, time frame, and monitoring and evaluation arrangements. The cost for the training program shall be included in the consultant's contract and in the budget for the assignment.
- c. **Recurrent Expenses:** Include payment of utilities and other office operating expenses of the PEU, if any.
- d. **Advance Contracting and Retroactive Financing:** No retroactive financing is foreseen for this operation.

- e. **Domestic Preference:** Determining whether it is appropriate and necessary to use domestic preference in the evaluation of bids should be guided by Appendix 2 of GN-2349-9 paragraphs 1-6.
- f. **Other** Use of national or other documents than the Bank standard documents for competitive bidding: None.

5.3 Thresholds (thousands of US\$)

International Competitive Bidding Threshold*		National Competitive Bidding Range ** (complex works and non-common goods)		Consulting Services
Works	Goods	Works	Goods	International Short List
>1,000,000	>100,000	100,000– 1,000,000	25,000 - 100,000	>200,000

* When procuring simple works and common goods and their amount is under the International Competitive Bidding thresholds, Shopping may be used.

** When procuring complex works and non-common goods with amounts under the NCB range, Shopping shall be used.

5.4 Procurement Supervision

- a. **Procurement Plan and supervision (PP):** The procurement plan for the operation covering the duration of project execution can be accessed through the following [link](#). It indicates the procedures to be used for the procurement of goods, the contracting of works or services, and the method of selecting consultants, for each contract or group of contracts. It also indicates cases requiring prequalification; the estimated cost of each contract or group of contracts; the requirement for prior or post review by the Bank. The procurement plan will be prepared to cover an initial period of eighteen (18) months and updated annually or whenever necessary, or as required by the Bank (www.iadb.org/procurement).

VI. Financial Management

- 6.1 **Programming and Budget.** The Borrower has committed to allocate, for each fiscal year of project execution, adequate fiscal space to guarantee the unfettered execution of the project; as determined by normal operative instruments such as the Project Execution Plan, Annual Operating Plan, the Financial Plan and the Procurement Plan.
- 6.2 **Accounting and Information Systems.** Project accounting will be performed using the government's financial management system – Smart Stream, in accordance with International Financial and Reporting Standards and International Public Sector Accounting Standards when applicable. SS will be supplemented with the use of another appropriate accounting system –such as Quick Books- to facilitate reporting under the project. Such parallel system will be in place for the first year of project execution in order to test and validate Smart Stream functionality and capacity to respond to project reporting demands. It will be the responsibility of the IDB Financial Specialist to assess the performance of SS and determine whether to discontinue the use of the parallel accounting system. It is expected that SS will: (i) facilitate the recording and classification of all financial transactions according to source of funding and categories of investment; and (ii) provide information related to, planned versus actual financial execution of the project, commitments made under the project, the financial plan for a 6

months period, financial statements, performance reports and any other reports that may be required from time to time by the MOEYS and/or the IDB.

- 6.3 **Disbursements and Funds Flows** The Executing Agency will be responsible for the submission of all disbursement requests to the Bank. Resources requested from Bank financing are payable according to the Advance of Funds for up to 180 days. The funds will be deposited into a Special Account, denominated in US Dollars, established exclusively for the Project at the Central Bank of Belize.
- 6.4 The EA will be responsible for the maintenance of adequate and original documentation to support disbursement requests. Such documentation include, accounting receipts, cancelled invoices, payment receipts, employment contracts, customs duties certificates, certificates of works, shipping, unloading and storage documents, goods/services received reports and any other payment support document acceptable by the Bank.
- 6.5 The Executing Agency commits to maintain strict control over the utilization of the funds Advanced so as to ensure the easy verification and reconciliation of balances between the Executing Agency's records and the records of the Bank (LMS1 Report).
- 6.6 The PEU will provide adequate control over the utilization of all Advance of Funds balance, whenever 80% of said balance has been spent. Advances will normally cover a period not exceeding 180 days.
- 6.7 In order to request disbursements from the Bank, the Executing Agency will present the following forms and supporting documents:

Type of Disbursement	Mandatory Forms	Optional forms/ information that can be requested by the IDB
Advance	Disbursement Request Financial Plan	List of Commitments Physical/Financial Progress Reports
Reimbursements of Payments Made	Disbursement Request Project Execution Status Statement of Expenses	List of Commitments Physical/Financial Progress Reports
Direct Payment to Supplier	Disbursement Request Acceptable Supporting Documentation	List of Commitments Physical/Financial Progress Reports

- 6.8 Generally, supporting documentation for Justification of Advances and Reimbursement of Payments Made will be kept at the office of the Executing Agency. Support documentation for direct payments will be sent to the Bank for processing. Disbursements' supporting documents may be reviewed by the Bank on an ex-post basis. These reviews do not entail a blanket approval, based on the samples reviewed, of the whole universe of expenditures.
- 6.9 **Internal Control and Audit.** The EA will assume the responsibility for designing and implementing a sound system of internal control for the project. The system to be established should provide reasonable assurance that project funds are used for its intended purpose.
- 6.10 **External Control and Reporting.** For each fiscal year during project execution, MOEYS will be responsible to produce semi-annual financial reports for the project, annual

audited financial statements and one final Audited Financial Statements at the end of the project. The Financial Statements will be audited by a firm of independent public accountants acceptable to the Bank. The firm for the auditing of the Program will be selected according to the Bank's procedures (Document AF-200).

- 6.11 **Financial Supervision Plan.** Financial Supervision will be developed based on the initial and subsequent risk assessments carried out for the MOEYS. Financial, Accounting and Institutional Inspection visits will be performed annually, covering the following: (a) Review of the Reconciliation and supporting documentation for Advances and Justifications; (b) Compliance with procedures; and (c) Conducting Ex Post Review of Disbursements.
- 6.12 **Execution Mechanism.** The MOEYS is named as the Executing Agency for this project. The structure to execute the Program will consist of a Steering Committee at the strategic level. A PEU in the MOEYS at the operational level will comprise a Program Coordinator, a Program Officer, a Financial Specialist, a Procurement Specialist and an Administrative Assistant. The Program Coordinator and the Administrative Assistant will be financed by the GOB, and the other positions with resources from the program. The PEU will have responsibility for the technical and financial management of the Program and oversee all the reporting and accountabilities of the Programmed.
- 6.13 **Accounting and information systems.** Project accounting will be performed using the government's financial management system – SmartStream (SS), in accordance with International Financial and Reporting Standards and International Public Sector Accounting Standards. The SS will be supplemented with the use of another appropriate accounting system –such as Quick Books- to facilitate reporting under the project. Such parallel system will be in place for the first year of project execution in order to test and validate SS functionality and capacity to respond to project reporting demands. It will be the responsibility of the IDB Financial Specialist to assess the performance of SS and determine whether to discontinue or not the use of the parallel accounting system. It is expected that SS will: (i) facilitate the recording and classification of all financial transactions according to source of funding and categories of investment; and (ii) provide information related to, planned versus actual financial execution of the project, commitments made under the project, the financial plan for a 6 months period, financial statements, performance reports and any other reports that may be required from time to time by the MOEYS and/or the IDB.
- 6.14 **External control and reports.** For each fiscal year during project execution, the MOEYS through the PEU will be responsible of producing semi-annual unaudited financial reports for the project, annual audited financial statements and one final audited financial statement at the end of the program. The Financial Statements will be audited by a firm of independent public accountants acceptable to the IDB. The firm will be selected according to IDB's procurement procedures for audit firms (Document AF-200).
- 6.15 **Designated Account.** The Program will have a designated Account in the Central Bank of Belize. For day-to-day operations the PEU will make payments from the Ministry's account (consolidated account) and on submission of a memo to the Ministry of Finance and Economic Development (MFED), the funds are then reimbursed from the Central Bank Account to the Consolidated Account.