

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**SURINAME**

**SECOND BASIC EDUCATION IMPROVEMENT  
PROGRAM (2<sup>nd</sup> BEIP) – PHASE I**

**(SU-L1019)**

**LOAN PROPOSAL**

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## CONTENT

PROJECT SUMMARY .....	1
I. DESCRIPTION AND RESULTS MONITORING.....	2
A. Background, problem addressed, justification.....	2
B. Objective, components and cost .....	7
C. Key results indicators .....	10
II. FINANCING STRUCTURE AND MAIN RISKS .....	11
A. Financing instruments.....	11
B. Environmental and social safeguard risks .....	12
C. Fiduciary risk .....	12
D. Other key issues and risks.....	13
III. IMPLEMENTATION AND MANAGEMENT PLAN .....	13
A. Summary of implementation arrangements .....	13
B. Summary of arrangements for monitoring results .....	14

## **ANNEXES**

ANNEX I:	Summary Development Effectiveness Matrix (DEM)
ANNEX II:	Results Framework
ANNEX III:	Fiduciary Arrangements

## **ELECTRONIC LINKS**

### **REQUIRED**

1. POA (Plan of activities for first disbursement and the first 18 months of implementation)  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36729015>
2. Monitoring and Evaluation Arrangements  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36729102>
3. Complete Procurement Plan  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36729089>

### **OPTIONAL**

1. Index of Completed and Proposed Sector Work  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36728184>
2. Cost Benefit Analysis  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36728258>
3. Implementation Arrangements: Program Management Structure  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36727688>

## **ABBREVIATIONS**

BEIP	Basic Education Improvement Program
CARICOM	Caribbean Community
EMIS	Education Management Information System
ESHS	Environmental, Social, Health and Safety
ESMR	Environmental and Social Management Report
ESS	Environmental and Social Strategy
GDP	Gross Domestic Product
GOS	Government of Suriname
ICT	Information and Communication Technologies
IDB	Inter-American Development Bank
MOECD	Ministry of Education and Community Development
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
OM	Operational Manual
PMU	Program Management Unit
POD	Proposal for Operation Development
R&P	Research and Planning
SEP	National Sector Education Plan
SSF	Safeguard and Screening Form for Screening and Classification of Projects
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children Fund
VVOB	Flemish Association for Development Cooperation and Technical Assistance

**PROJECT SUMMARY**  
**SURINAME**  
**SECOND BASIC EDUCATION IMPROVEMENT PROGRAM (2<sup>nd</sup> BEIP) – PHASE I**  
**(SU-L1019)**

Financial Terms and Conditions				
<b>Borrower:</b> Republic of Suriname  <b>Executing Agency:</b> Ministry of Education and Community Development (MOECD)			<b>Flexible Financing Facility*</b>	
			<b>Amortization Period:</b>	20 years
			<b>Original WAL</b>	12.25 years
			<b>Disbursement Period:</b>	4 years
			<b>Grace Period</b>	4 years
<b>Source</b>	<b>Phase I US\$ million</b>	<b>Phase II US\$ million</b>	<b>Supervision and Inspection Fee:</b>	**
<b>IDB (OC)</b>	13,700,000	12,000,000	<b>Interest Rate:</b>	LIBOR
<b>Local</b>	750,000		<b>Credit Fee:</b>	**
<b>Total</b>	<b>14,450,000</b>	<b>12,000,000</b>	<b>Currency of Approval:</b>	US Dollar chargeable to the Ordinary Capital.
<b>Project at a Glance</b>				
<p><b>Project objective/description:</b>  The overall objective of the program is to increase the learning outcomes of students in the education system of Suriname from pre-primary through junior secondary education nationally, and improve the internal efficiency and quality of the new basic education system. The program is a multi-phase operation with two phases spanning an eight year period (Phase I: year 1–4; Phase II: year 5–8). Phase I will focus on developing the curriculum framework for the entire basic education system and on increasing learning outcomes of students in grades 1 to 8. Phase II will focus primarily on improving learning outcomes in the junior secondary grades of the basic education system. Phase I of this program will focus on four components: (i) improving student learning outcomes in basic education in grades 4 to 8, with an emphasis in Dutch and mathematics, and in teaching approaches; (ii) Information and Communication Technology (ICT) in education and implementing pilots to test different strategies for utilizing ICT; (iii) increasing access to education through school construction and expansion; and construction of teacher housing in the interior; and (iv) improving management of the education system at the Ministry of Education and Community Development (MOECD) and school levels.</p> <p><b>Special contractual clauses:</b>  <b>Conditions prior to first disbursement:</b> (i) the creation of the Program Management Unit (PMU) within the MOECD and the appointment/hiring of Key Personnel in accordance with terms of reference approved by the Bank; (ii) approval of the Program Execution Plan, Operational Manual, and Procurement Plan in terms previously agreed upon by the Bank (¶2.3).  <b>Condition prior to the disbursement of funds for Component 3:</b> (ii) approval of the list of sites where land tenure has been secured by the Borrower, in terms previously agreed upon by the Bank; and (ii) approval of the Environment and Social Management Plan developed by the Borrower for the construction of new schools and schools targeted for expansion in 2012 and 2013, in terms previously agreed upon by the Bank (¶2.3).  <b>Condition of execution:</b> The borrower, through the executing agency, will present to the Bank's satisfaction, at the end of the third year of program execution, evidence that the costs relating to operation of the PMU have been duly provided for in the MOECD's budget (¶2.3).  <b>Special disbursement:</b> Once the loan has been entered into effect and the borrower has complied with conditions prior to first disbursement set forth in Article 4.01 of the General Conditions of the Loan Contract, the Bank may disburse to the borrower up to the amount of fifty thousand dollars (US\$50,000) chargeable to the financing to appoint/hire Key Program Personnel as identified in Section III (¶2.3).</p>				
<b>Project qualifies for:</b> 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. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six-month period, the amount that would result for applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

## I. DESCRIPTION AND RESULTS MONITORING

### A. Background, problem addressed, justification

- 1.1 **The basic and secondary education system in Suriname.**<sup>1</sup> The formal education system in Suriname contains four levels: pre-primary for 4 to 5 year olds; primary for 6 to 12 year olds (grades 1 to 6); junior secondary (grades 7 to 10), and senior secondary (grades 11 to 13). Education is compulsory between the ages of 7 and 12.<sup>2</sup>
- 1.2 The Ministry of Education and Community Development (MOECD) is responsible for the planning, administration, monitoring, evaluation and policy development of the education system. There are 325 primary schools, 289 of which include pre-primary, and 124 junior secondary schools. Eighty of the primary schools (includes 56 pre-primary) and six of the secondary schools are located in the interior, where 10 percent of the population resides. Approximately 54 percent of the primary and secondary schools are public and the remaining schools are denominational, run by religious organizations, primarily Catholic and Moravian. These schools are subsidized by the government in the form of: payment for teacher salaries based on the government salary scale; curriculum materials since they use the national curriculum; and a small subsidy per student enrolled.<sup>3</sup> In the interior, over 65 percent of the schools are private, primarily due to the historical role churches have played in delivering social services, especially education in remote communities.
- 1.3 The MOECD has seven sub-directorates assigned to the execution of the education portfolio. In 2004, there were 4,860 staff divided across the seven directorates with further sub-assignments within 33 departments. Despite the large number of staff at the MOECD, formal communication channels between the ministry and schools are inadequate with limited autonomy afforded to schools (Chapman and Levens 1997; Uribe 1999). An estimated 25 percent of civil servants are within the purview of the MOECD.
- 1.4 Enrollment rates for students in all schools, from pre-primary through junior secondary, reached 124,984 students in the 2009-2010 school year; a 3.2 percent increase over the 2008-2009 school year. In the past six years, drop out and repetition rates dropped by 57 percent and 20 percent respectively. For details see [key education indicators](#) for Suriname; and [key educational indicators disaggregated](#) by regions in Suriname.
- 1.5 The education system places students in specific tracks in junior secondary based on students' performance on an exam taken at the end of primary school. Students that receive the primary school leaver's certificate may attend one of the seven

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<sup>1</sup> Basic education is currently defined by the MOECD as education that commences in pre-primary and continues through junior secondary (Education Sector Plan 2004–2008).

<sup>2</sup> Under the Compulsory School Attendance Act, children in Suriname must be provided the opportunity to attend school between ages 7 to 12. In the proposed new draft legislation this would be adapted to ages 4 to 16 (UNICEF 2010).

<sup>3</sup> Families are charged annually approximately US\$4 per child to attend a public school and between US\$22 and US\$33 for a private school.

assigned tracks in junior secondary.<sup>4</sup> Once assigned, students have limited flexibility to change tracks. Approximately 50 percent of the students do well enough in the exam to continue within the academic track, while the remaining students enter a vocational or technical education track.

- 1.6 **Main challenges in basic and secondary education.** The Suriname education sector, which is based on the old Dutch system, has changed little since its initial adoption in the 1970s, and is experiencing a number of key challenges including: (i) modest quality and internal efficiency at the MOECD and within schools, which has led to low student performance; (ii) limited and unequal teacher qualifications across the system; (iii) language barriers in education, especially for those in the interior;<sup>5</sup> (iv) overcrowded classrooms and a shortage of classrooms to allow for pre-primary and junior secondary education and inadequate teacher facilities in the interior; and (v) limited management capacity to support the education sector. Evidence on the main constraints to sector development dates back over 15 years and the contributing factors to the challenges remain relevant today. Reports providing insights into the causes include: MOECD (2004a; 2004b); UNESCO (2007); Even (2008); and MOECD (2010).
- 1.7 The institutional structure of the education system has proven to have limitations and is exposed to challenges that affect the efficiency and quality of the system. Education expenditure is relatively high compared to countries in the region;<sup>6</sup> however, educational outcomes are low. Nearly one in five students repeat grade 1; 17 percent repeat grades 2 and 3 respectively; drop-out rates between grades 1 and 3 are between 7 and 9 percent; 80 percent of students entering secondary school have repeated at least one grade;<sup>7</sup> and one in four students in junior secondary either repeats or drops out each year— in the interior, about 50 percent repeat or drop out annually.<sup>8</sup>
- 1.8 In the 1980s, the Dutch Government funded a program to revise the curriculum, which focused on developing textbooks and teacher training; however, the textbooks did not reflect the culture and environment of Suriname. In 1987, the Bank assisted in revising the curriculum to ensure alignment with the context and utilized participatory teaching approaches.
- 1.9 The tracking system remains problematic, in part due to its reliance on a single exam used to assign students to a specific track; its occurrence at an early age; and the limited opportunities students have for alternative paths after they are assigned to a specific track. Tracking at such an early age decreases the number of

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<sup>4</sup> The tracks include: (i) junior secondary general education; (ii) junior vocation-oriented education; (iii) junior technical education; (iv) junior domestic science and technical education; (v) elementary technical education; (vi) elementary vocational education; and (vii) advanced special education.

<sup>5</sup> Amerindians (3.7 percent) and Maroons (about 15 percent) live mainly in the interior. Both ethnic groups speak local languages at home, while the language of instruction is Dutch, thus creating a language barrier.

<sup>6</sup> Over five percent of Gross Domestic Product (GDP) is contributed to education, one of the highest rates in Latin America and the Caribbean. 16 percent to 18 percent of public expenditures in Chile and Barbados are dedicated to education, while the number is 20 percent in Suriname.

<sup>7</sup> UNICEF (2010). Situation Assessment and Analysis of Children's Rights in Suriname.

<sup>8</sup> MOECD, Research and Planning (2009).

students that enter junior secondary school, leads to a low average rate of years of formal education in the country and could affect students' motivations to remain in school. The empirical literature suggests that early educational tracking increases educational inequality and also reduces mean.<sup>9</sup> As a result, less than 50 percent of the 15-19 year old cohort has achieved nine years of schooling. Also, the usefulness of tracking students at an early age to technical/vocational training appears extremely limited since there is little articulation between the offered skills and the needs of local employers. Only those students in the academic track might be able to continue further studies.<sup>10</sup> Students in non-academic tracks are at a disadvantage in terms of the returns on educational investment; moreover, as seen in the empirical literature, tracking hurts weak students (Duflo, Dupas and Kremer 2011). According to evidence by Horowitz and Schenzler (1999) for Suriname, the higher rents accruing to individuals with general education casts doubts on the effectiveness of the technical and vocational tracks.

- 1.10 Education in the interior lags behind the rest of the country (UNICEF 2010). Attainment and retention rates are low and quality of instruction and availability of materials are contributory factors. The limited availability of qualified teachers is common in the interior. While nearly all teachers at the primary level in coastal areas are qualified, only about 70 percent of teachers in the interior are qualified to teach.<sup>11</sup> In public schools in the interior, 34 percent of qualified teachers are qualified solely for teaching in the interior with the qualifications unable to be applied in the city (UNICEF 2010).
- 1.11 The MOECD is confronted with limited sector management capacity. Key institutional challenges include limited supervision and support offered to schools; inadequate communication channels between the schools and the MOECD; and limited involvement of school staff in educational planning decisions. MOECD staff capacity requires strengthening, additional personnel are required in key departments such as curriculum and research and planning, and school leaders require capacity building in leadership. There is also limited basic information to make policy decisions or monitor the system. The educational management is centralized at the MOECD, with limited autonomy at the school level; this reduces accountability of school based management.
- 1.12 **Suriname education policies for basic and secondary education.** The Government of Suriname (GOS) has a multi-year development plan covering 2012 to 2016. One of the plan's four pillars is social and human development, which includes education. The MOECD developed a National Sector Education Plan (SEP) for the period 2004–2008; a new SEP will be finalized in 2012. The primary objective of the education sector, as reflected in the draft plan, is to adequately prepare individuals with the skills and abilities required to increase productivity and meet current labor market challenges. In order to achieve the

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<sup>9</sup> Hanushek E. and L. Wöbmann 2005. Does Educational tracking affect performance and inequality? Differences-in-differences evidence across countries. NBER Working Paper 11124.

<sup>10</sup> <http://news.stanford.edu/pr/94/940302Arc4396.html>.

<sup>11</sup> A qualified teacher in Suriname has undertaken a teacher training course leading to a qualification. The *boslandakte* is the teaching qualification for the Interior.



objective, both sector plans emphasize two main adjustments: (i) developing a new basic education system from pre-primary through junior secondary, including curriculum revision and teacher training; and (ii) improving the effectiveness and efficiency of education management at the MOECD and in schools.<sup>12 13</sup> The Dutch Government, United Nations Children's Fund (UNICEF) and the Flemish Association for Development Cooperation and Technical Assistance (VVOB) support the MOECD in teacher development and in strengthening the Education Management Information System (EMIS). The Bank will coordinate efforts with these donors to ensure programs are complementary.

- 1.13 **The Basic Education Improvement Program (BEIP) (Loan 1521/OC-SU).** In 2004, the GOS undertook an education reform process through the Bank approved Basic Education Improvement Program (BEIP) (Loan 1521/OC-SU). The operation was composed of US\$14 million, of which US\$12.5 million were loan resources. The major reform in the program was to develop a new Basic Education System mandatory to all school-age children between the ages of 6 and 14 and consisting of six years primary and four years junior secondary education for a total of 10 years of formal schooling. After program approval, the MOECD adjusted the program from creating a 10 year basic education system to an 11 year system, consisting of two years preprimary (starting at age four), six years primary, and three years junior secondary. In 2011, the GOS again adjusted the focus to give immediate and urgent attention to the first eight years of schooling, namely the pre-primary and primary levels. Thus, the program targets the initial eight years of the system. The MOECD's emphasis on the junior secondary level will follow later.
- 1.14 **Program results and Lessons Learnt from Loan 1521/OC-SU.** The program achieved revisions in the curriculum for grades 1-3; design of curriculum framework for grades 1-8; renovation of 55 schools; construction of 10 teacher resource training centers; training of 3,300 education stakeholders; provision of 106,000 textbooks and learning materials; completion of 72 innovation fund projects; development of ITEM bank system to support assessment of new curriculum; and establishment of EMIS. Both the mid-term and final evaluation of BEIP (Loan 1521/OC-SU) have recommended involvement of key stakeholders, including the MOECD technical departments, school administration, teachers, parents and civil society groups, as a result the program management structure builds upon this collaborative model. In addition, social marketing will be pursued throughout implementation. The lessons learnt further indicate the need for institutional strengthening within the MOECD to lead initiatives such as continuous pedagogical assistance from MOECD coaches and school inspectors. The involvement of the Technical Department of the Ministry of Education to oversee maintenance of infrastructure has worked well, but an increased role for the Technical Department early in the process will build ownership. Under Loan 1521/OC-SU the number of schools renovated were reduced due to increases in

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<sup>12</sup> Sector Education Plan 2004-2008 (2004); Draft Sector Education Plan 2010-2014 (2010), MOECD.

<sup>13</sup> International instruments, such as the Caribbean Education Strategy, World Declaration on Education for All and subsequently the Dakar Framework for Action, inform education policies in Suriname.

prices of materials, and under this operation the school renovation and construction will continue to reduce overcrowding and maintain the stock of schools in good condition. Further details on lessons learnt are available in the [final evaluation report](#) of Loan 1521/OC-SU.

- 1.15 **Bank and sector strategy for Suriname.** The program is aligned with the Bank's country strategy with Suriname, 2011-2015 (GN-2637-3), which emphasizes improved access to education of desirable quality. In addition, the program is aligned with the IDB's sector priorities under the Ninth General Capital Increase (AB-2764) and the Bank's Strategy on Social Policy for Equity and Productivity (GN-2588-3).
- 1.16 This operation builds upon the foundation established through BEIP (Loan 1521/OC-SU) by addressing ongoing education challenges, including expanding coverage and quality of education in the interior and nationally with key emphasis on curriculum revision and innovation in education.<sup>14</sup> The GOS is interested in having Bank's support on a long term and sustainable investment in education to strengthen the quality and efficiency of the education sector from pre-primary to junior secondary. In this regard, the GOS and the Bank have designed an eight year multi-phased loan that consists of two phases of four years each (Phase I: year 1-4; Phase II: year 5–8). Phase I will focus on developing the curriculum framework for the entire basic education cycle and on increasing learning outcomes of students in grades 1 to 8. Phase II will focus primarily on improving learning outcomes in the junior secondary grades of the basic education system. The multi-phase approach is being taken as the activities must be implemented sequentially, to allow for the progressive reform of the basic education system. This approach provides the time needed for an appropriate and sequentially transition to this new basic education system.
- 1.17 The strategic objective of the program is to eliminate the tracking system and create a new basic education system with initial focus on the first eight years from pre-primary through primary. Doing so will give all students the time required to develop the foundation in core skills such as reading and comprehension, writing, and mathematics and essential life skills. All levels will follow a seamless transition to facilitate students' ability to build upon each prior year's learning and skills development, giving them the foundations required for success in their future endeavors, whether they choose vocational/technical or academic routes. While all students will receive the same general education, the new first phase of the basic education system will have the flexibility to allow students to focus on their interests through elective subjects, as well as provide adequate support to low performing students. Education approaches can also be modified as required to meet the needs of children in urban, rural, and interior areas of the country. This type of education system can increase the competitiveness of the Suriname education system and contribute to the integration with Caribbean Community (CARICOM).

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<sup>14</sup> This program retains the name BEIP for continuity.

- 1.18 Taking into consideration the GOS' priority on Information and Communication Technologies (ICT) in education, and the formation of Presidential Task Force for Education Innovation, the program will also explore and support the use of alternative ICT strategies to improving quality of the knowledge base in education. The inclusion of ICT in education is justified based on the effects of technology on job functions and the related changes in the skills demanded by the labor market. ICT provides an avenue for innovative learning and enhances the management of information within education systems.
- 1.19 Phase I of this program will focus on four components: (i) improving student learning outcomes in basic education in grades 4 to 8, with an emphasis in Dutch and mathematics, and in teaching approaches; (ii) ICT in education and implementing pilots to test different strategies for utilizing ICT; (iii) increasing access to education through school construction and expansion; and construction of teacher housing in the interior; and (iv) improving management of the education system at the MOECD and school levels.<sup>15</sup>

**B. Objective, components and cost**

- 1.20 The overall objective of the multi-phase program is to increase the learning outcomes of students in the education system of Suriname from pre-primary through junior secondary education nationally, and improve the internal efficiency and quality of the new basic education system.
- 1. Component 1. Improve student learning outcomes in basic education (US\$5.7 million).**
- 1.21 All schools will benefit from interventions designed to update and strengthen the curriculum and classroom teaching approaches to improve learning outcomes, especially in low performing students, and in Dutch and mathematics skills of students in grades 4 to 8.
- 1.22 **Subcomponent 1.1. Redesign of curriculum, testing and examination.** The program will finance: (i) curriculum revision and piloting of grades 4 to 8 and national expansion of the revised curriculum in grades 3 to 6; (ii) development of diagnostic tests for grades 3 and 7 and a manual for the diagnostic examination system; (iii) train all teachers at the primary level (approximately 5,000) in participatory teaching approaches and competencies, and the revised curriculum and examination system; (iv) revision of the draft education legislation for the new basic education system that includes abolishing the use of an exam to stream students into tracks in junior secondary; (v) development of a process that offers students flexibility in selecting a junior secondary school; and (vi) development of a strategy for revising the junior secondary grades in Phase II. Initiatives in this component will include all private and public schools in the country. Each year,

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<sup>15</sup> Although, the empirical literature on the effectiveness of similar interventions is limited (Cheung, Alan and Ping Man Wong, 2012. Factors affecting the implementation of curriculum reform in Hong Kong. *The international Journal of Educational Management* 26(1):39-54); however, the emphasis in the development literature continues to support reform of education systems and improving quality of the knowledge base (World Bank Education Strategy 2011).

two grades will be revised and piloted (with external supervision) in 30 schools (about 10 percent of all schools) prior to national expansion.

- 1.23 **Subcomponent 1.2. Provide schools with appropriate textbooks and learning materials.** The program will finance the development and delivery of textbooks, teaching and learning materials, and supplementary reading materials for approximately 44,000 students in grades 3 to 8 (public and private).

**2. Component 2. Information and Communication Technology (ICT) in education (US\$0.8 million).**

- 1.24 The purpose for this intervention is to provide cost-effective means to reach students in the interior through ICT, and thereby address the challenge of quantity and quality of teachers in the interior. The initiatives will focus on setting up the legal and regulatory foundation for ICT in education, as none exists. The initiatives in this component will be developed in close collaboration with the Ministry responsible for ICT.
- 1.25 The program will finance: (i) development of the legal and regulatory framework for ICT in education; (ii) diagnostic of existing studies and initiatives in ICT and the development of a national ICT in educational policy and strategy; (iii) design ICT educational content for selected grades, including materials, specialized teacher training, testing and supervision and implement pilots in ten schools nationally; (iv) development of ICT enabling infrastructure for schools selected for pilot; (v) a study for ICT alternatives in education in the interior; and (vi) an action plan and recommendations on methods to expand ICT in education. Variations in the model may be developed to ensure adaptability to the cultural and economic differences among communities in the interior.

**3. Component 3. Increase access to basic education in the interior and improve facilities of MOECD (US\$4.2 million).**

- 1.26 The infrastructure projects, which include construction of new public schools and expansion of existing ones in the interior of the country, are designed to complement the other initiatives in the program and achieve the following: (i) decrease over-crowdedness in pre-primary and primary public schools; (ii) expand primary schools to include two years of pre-primary; and (iii) increase access to pre-primary, primary and junior secondary schools.
- 1.27 The program will finance: (i) construction of schools (including furniture, equipment, multimedia center, sports facility, teacher housing, and supervision) in the interior on MOECD owned land; (ii) the operations/management of the multimedia centers in these schools for the first two years, after which the MOECD will take over financial responsibility; (iii) a diagnostic on school construction and expansion in the interior; and (iv) construction, rehabilitation and refurbishment of MOECD departments, including equipment for staff as a nonmonetary incentive.
- 1.28 **Improve management at the MOECD and school levels.** The initiatives are designed to address: (i) management at the Ministry and school levels; (ii) strengthening the EMIS; and (iii) Monitoring and Evaluation (M&E) and

social marketing. Initiatives will target key staff within the MOECD departments, school leaders in all primary schools and key stakeholders.

**4. Component 4. Improvement of the management at the MOECD and school levels (US\$1.7 million).**

- 1.29 The initiatives are designed to address: (i) management at the Ministry and school levels; (ii) strengthening the EMIS; and (iii) Monitoring and Evaluation (M&E) and social marketing. Initiatives will target key staff within the MOECD departments, school leaders in all primary schools and key stakeholders.
- 1.30 **Subcomponent 4.1. Capacity development of MOECD staff.** The program will finance: (i) capacity building opportunities (also as nonmonetary incentives) for MOECD staff from key departments; (ii) leadership and management training for teachers and school leaders; (iii) training of at least 25 MOECD staff for three years to support program implementation; and (iv) creation and strengthening of Program Management Unit (PMU) within the MOECD, with phased technical support provided by external project management firm.
- 1.31 **Subcomponent 4.2. Strengthening and expanding the EMIS.**<sup>16</sup> The program will finance: (i) a needs assessment to expand the EMIS at the MOECD and schools; (ii) the consolidation and linking of MOECD personnel information; (iii) establishing in at least 150 schools a student performance tracking system; (iv) expansion of the physical infrastructure to house EMIS data center; and (v) training for at least 10 MOECD staff and staff from the selected schools on using the EMIS.
- 1.32 **Subcomponent 4.3. Monitoring and evaluation and social marketing.** The program will finance: (i) establishment of an M&E unit in the Research and Planning Department (R&P); (ii) integration of M&E functions into MOECD departments involved in program implementation; and (iii) a social marketing campaign that disseminates information to key stakeholders) through press releases, workshops, events, radio programs in local languages, an MOECD website, and other social marketing initiatives.
- 1.33 The combination of the four strategic areas for Phase I is intended to improve the quality and efficiency of the education system by: (i) decreasing drop out and repetition rates in grades 3 to 5; (ii) increasing: primary school promotion and completion rates for students nationally; the number of students prepared to enter the next education level (i.e. grade 9); flexibility in junior secondary school by abolishing the tracking system; and student attendance through new school construction that will increase school access and decrease student commuting times, especially for those in grades 1 and 2; (iii) improving: student performance in mathematics and Dutch; the cadre of qualified teachers; and decision making through the EMIS; and (iv) developing a national ICT in education policy and strategy for schools in Suriname. By strengthening basic education in these areas

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Under BEIP (SU-0023) the EMIS was piloted in 50 schools and SU-L1019 will strengthen and expand the system with final roll-out to all schools occurring by Phase II.

through grade 8, student learning outcomes will improve and groundwork set for Phase II, which will complete the upgrading of the system up to junior secondary.

- 1.34 Phase II will continue the efforts from Phase I and focus on strengthening student learning outcomes in junior secondary through curriculum revision and materials development, teacher training, strengthening bilingual and other approaches specifically focused on increasing access to education in the interior, strengthening MOECD and school staff capacities as well as preparing for the reform of senior secondary education and offering further options for ICT in the classroom.

**Table I-1: Key Results Indicators**

Key result indicator	Trigger (Phase II)	Year	Means of verification	Reason for selection
Curricula for core subjects in grades 3 to 6 approved.	Yes	3- 4	Copy of revised curricula for core courses from grade 1 to 6; MOECD certification of its implementation.	Revision of grades 1 to 8 need to be completed prior to revising junior secondary grades 9 to 11, which is the focus of Phase II.
Exam taken at the end of primary is no longer used to place students in tracks in junior secondary.		3-4	MOECD and school reports.	Abolishing the tracking system is critical to reforming the system. This will allow for the reform of junior secondary (grades 9 to 11) in Phase II to occur.
Basic education legislation, which includes abolishment of the tracking system, approved.	Yes	3-4	Final approved legal document, legalized by the GOS.	Approval of legislation is required to reform Junior Secondary Education due to changes in the structure.
2 and 4 percentage points decrease in drop out and repetition rates respectively.	Yes	3-4	School statistics from MOECD.	Progress towards addressing this critical issue is necessary prior to starting Phase II.
Draft National ICT in education policy and strategy completed.	Yes	3-4	Documents received from the MOECD.	Strengthening ICT in education in Phase II requires a policy and strategy to show key progress.
Schools constructed and functioning in the interior.	Yes	3-4	MOECD certifications of infrastructure completed to appropriate standards; and complete staffing at appropriate levels.	Increasing compulsory education by five years requires ensuring schooling is accessible to all students. This is a priority of the MOECD in the reform.
EMIS expanded and functioning in at least 150 schools.		3-4	MOECD validated report about EMIS functionality and use in selected schools.	The ability to collect and analyze key indicators is critical to improve policy decisions and education quality.
Strategy for reforming junior secondary grades in Phase II developed.	Yes	3	Consultancy report approved by Minister of Education/Cabinet.	Strategic plan will provide roadmap for activities in Phase II.
At least 50% of loan resources disbursed and 75% committed.		3-4	Bank systems.	Required to demonstrate program progress.

### **C. Key results indicators**

- 1.35 Triggers for moving to Phase II, are outlined in Table I-1, and of the nine selected key results indicators six were selected as triggers, since their achievement reflects the required program progress for advancing to Phase II.

## II. FINANCING STRUCTURE AND MAIN RISKS

### A. Financing instruments

- 2.1 **Cost.** The total program cost for Phase I is US\$14.45 million, of which US\$13.7 million will be financed by the Bank, and US\$750,000 will be counterpart contribution. The approximate cost for Phase II is US\$12 million, all of which will be financed by the Bank. Table II-1 summarizes Phase I program costs by components.

Table II-1: Cost table US\$

Categories	IDB	Local	Total	%
<b>Component 1. Improve student learning outcomes in basic education</b>	<b>5,700,000</b>	<b>0</b>	<b>5,700,000</b>	<b>39.45%</b>
1.1 Redesign curriculum, testing and examination	2,700,000	0	2,700,000	18.69%
1.2 Provide schools with appropriate textbooks and learning materials	3,000,000	0	3,000,000	20.76%
<b>Component 2. Information Communication Technology in education</b>	<b>800,000</b>	<b>0</b>	<b>800,000</b>	<b>5.54%</b>
<b>Component 3. Increase access to basic education in the interior and improve facilities of MOECD</b>	<b>4,230,000</b>	<b>250,000</b>	<b>4,480,000</b>	<b>31.00%</b>
<b>Component 4. Improvement of the management at the MOECD and school levels</b>	<b>1,720,000</b>	<b>0</b>	<b>1,720,000</b>	<b>11.90%</b>
4.1 Capacity development of MOECD staff	815,000	0	815,000	5.64%
4.2 Strengthening and expanding the EMIS	620,000	0	620,000	4.29%
4.3 Monitoring, evaluation and Social Marketing	285,000	0	285,000	1.97%
<b>Program Administration</b>	<b>1,250,000</b>	<b>500,000</b>	<b>1,750,000</b>	<b>12.11%</b>
1. Program Management Unit	500,000	100,000	600,000	4.15%
2. Mid-term and Final evaluation	180,000	0	180,000	1.25%
3. Audit	70,000	0	70,000	0.48%
4. Contingency	500,000	400,000	900,000	6.23%
<b>Total</b>	<b>13,700,000</b>	<b>750,000</b>	<b>14,450,000</b>	<b>100.00%</b>
<b>Percentages</b>	<b>94.81%</b>	<b>5.19%</b>	<b>100.00%</b>	

- 2.2 The instrument to be used in this operation is the multi-phased approach. The benefit of the multi-phase instrument is that it allows for a longer-term Bank partnership with the GOS in education, a strategy that uses the first phase to progress towards program goals and set the framework for subsequent phases, the time required to support proper teacher development, curriculum revision and implementation, and alignment of curricula across the education system. The transition from Phase I to Phase II will be performance based, according to defined triggers and deliverables.
- 2.3 **Conditions prior to first disbursement: (i) the creation of the PMU within the MOECD and the appointment/hiring of Key Personnel in accordance with terms of reference approved by the Bank (¶3.1); (ii) approval of the Program Execution Plan, Operational Manual, and Procurement Plan in terms previously agreed upon by the Bank.** Condition prior to the disbursement of funds for Component 3: (i) approval of the list of sites where land tenure has been secured by the Borrower, in terms previously agreed upon by the Bank; and (ii) approval of the Environment and Social Management Plan developed by the

Borrower for the construction of new schools and schools targeted for expansion in 2012 and 2013, in terms previously agreed upon by the Bank. **Condition of execution:** The borrower, through the executing agency, will present to the Bank's satisfaction, at the end of the third year of program execution, evidence that the costs relating to operation of the PMU have been duly provided for in the MOECD's budget. **Special disbursement:** Once the loan has been entered into effect and the borrower has complied with conditions prior to first disbursement set forth in Article 4.01 of the General Conditions of the Loan Contract, the Bank may disburse to the borrower up to the amount of fifty thousand dollars (US\$50,000) chargeable to the financing to appoint/hire Key Program Personnel as identified in Section III.

- 2.4 **Reimbursement of expenses.** In accordance with the Policy on Recognition of Expenditures, retroactive Financing and Advance Procurement. The reimbursement of expenditures of up to US\$700,000 incurred on or after 2 April, 2012 to procure services under Component 1, specifically for the design, proofreading, production and delivery of textbooks and training in the revised curriculum as related to grade 3 is foreseen. The Borrower must carry out the procurement for these activities in accordance with the Bank's procurement policies (GN 2349-9 and GN 2350-9) as a condition for reimbursement.

**B. Environmental and social safeguard risks**

- 2.5 The environmental and social safeguard classification is "C". The program will support the construction and expansion of schools in Phases I and II. All efforts will be made to ensure that these works take the local environment and climate into account and wherever possible alternative energy sources will be supported. In general, the construction constitutes standard construction works comparable to a residential work; therefore the program is not expected to have significant negative environmental impacts, given that standard Environmental, Social, Health and Safety (ESHS) management practices and mitigation measures are readily available and easy to implement. The program's Operational Manual (OM) will include technical and environmental mitigation criteria for all construction activities, and other environmental safeguards, in order to ensure compliance with the national requirements, including the guidelines of the Ministry of Health and Public Works and the Bank's Environmental Safeguards Compliance Policy. The operation complies with the Operational Policy on Indigenous Peoples (OP-765) as it will finance solutions to increase the availability and quality of education services that benefits and reach Indigenous and Maroon communities.

**C. Fiduciary risk**

- 2.6 The proposed operation is expected to have a high fiduciary risk. While the MOECD has experience in implementing projects financed by international financing organizations and executed BEIP (Loan 1521/OC-SU) until March 2012, the proposed implementation structure embedded within the MOECD raises the fiduciary risk (§3.1).



- 2.7 Allocation of counterpart resources has not been a risk for BEIP (Loan 1521/OC-SU) and is not expected to become one for this operation. The expected counterpart resources of US\$750,000 for the four year period amount to 5.2 percent of the overall amount of the loan.

#### D. Other key issues and risks

Table II-2: Other risks

Risk	Mitigation measures
Implementation delays as a result of limited program ownership, accountability and involvement of MOECD staff.	A constraint to implementation is lack of ownership and support by MOECD Officials, if an external PMU structure that does not actively engage MOECD staff in the program is utilized. Thus, the PMU will be situated within the MOECD and ministry staff will be designated to lead program components. The Program Manager in the PMU will report directly to the Permanent Secretary in MOECD. Monetary and nonmonetary incentives may be offered to MOECD staff for deliverables that fall outside their normal work and responsibilities. In addition, the R&P Department will be strengthened to lead a results based modality using established targets and monitor progress towards achieving intermediate program output and outcome indicators.
Lack of stakeholder support due to limited information sharing and inclusion of key stakeholders in the program.	A Program Advisory Committee comprised of key stakeholders will be developed to ensure stakeholders' direct involvement and contribution. Social marketing campaigns will be implemented throughout program implementation.
Limited program progress due to limited implementation capacity of MOECD line units.	This risk will be mitigated through: (i) managerial and technical training and adjustments with appropriate follow-up; (ii) on-going support from national and international consultants; and (iii) outsourcing activities to specialists when the required capacity is not at the ministry.

### III. IMPLEMENTATION AND MANAGEMENT PLAN

#### A. Summary of implementation arrangements

- 3.1 **Program management structure.** A coordinating body in the MOECD composed of the Permanent Secretary (PS) and two Technical Advisors will oversee program implementation and provide advisory guidance and policy direction. The MOECD is the executing agency responsible for the appointment and recruitment of staff and external consultants with the pertinent skills to support it in the implementation. This appointment and recruitment of personnel will be managed by the coordinating body in the MOECD. A PMU, which will be situated within the MOECD, will perform all administrative, procurement, financial and overall management tasks required for successful program implementation. This dedicated group of personnel and consultants (i.e. PMU) will have the following key personnel comprised of MOECD appointed staff and external consultants: (i) Program Manager; (ii) Operations Officer; (iii) Finance Officer; (iv) Procurement Officer; (v) Education Coordinators (2); (vi) Social Marketing Officer; and (vii) ICT Officer, (hereinafter, the "Key Personnel"). The PMU will be responsible for all aspects of program implementation, by coordinating closely with MOECD Departments such as curriculum development, teacher education, technical department and research and planning. The MOECD Departments will

assist the PMU to define the activities and implementation modalities within the different program components in their area of expertise; provide input into terms of references and bidding documents; and perform technical leadership and supervision of relevant components. As the PMU situated within the MOECD is an implementation structure which is new to the MOECD, the services of a program management firm will be secured to support and the PMU on a short-term as needed basis. The support will include training in program management skills; assistance in developing program management tools to track program progress; guidance in developing reports and program documents such as the program execution plan and operations manual. ([Program Management Structure](#)). Details of the program management structure, including roles and responsibilities, will be elaborated in the OM.

- 3.2 Due to the additional responsibilities placed on MOECD staff in program implementation, they may receive monetary and non-monetary incentives based on program work completed outside their normal responsibilities. Payment of any monetary incentives will be based on Ministry of Finance approval of Bank and MOECD agreed payment criteria for acceptance of deliverables. Loan resources will finance these expenditures. Non-monetary incentives include staff capacity building and equipment as part of the program's Component 4 and funded through loan resources.
- 3.3 Key committees will be formed to assist in implementing the program including:
  - (i) a Program Advisory Committee comprised of key stakeholders, as further defined in the OM to ensure their participation in the program by: reviewing key program documents and reports, and providing advice for program implementation;
  - (ii) an overall Curriculum Development Team to support the structure and organization of the basic education system through innovative ideas and research;
  - and (iii) an Assessment, Testing and Examination Task Force to address the use of diagnostic testing and test item bank.

## **B. Summary of arrangements for monitoring results**

- 3.4 **Components 1 and 2.** Will utilize the same evaluation methodology. The program will perform a qualitative and a quantitative evaluation. The qualitative evaluation will include interviews, focus groups and classroom observations and focus on determining the link between the outputs (especially in the classroom) and the related expected outcomes. Specifically, the evaluation will focus on:
  - (i) determining if teaching approaches mirror the methodologies covered during training;
  - (ii) assess the effectiveness of follow up support offered to teachers; and
  - (iii) establish if textbooks and teaching and learning materials have been distributed to students and teachers.Two quantitative evaluations of these components will be conducted. First, Phase I will be measured using internal efficiency indicators for grades 3–5; in Phase II, grades 7–9 will be included. Key variables to be measured include enrollment, repetition and promotion rates, measured at the end of each school year. Secondly, a random, stratified (three regions) representative sample will be used to evaluate the pilot of the curriculum per grade; schools will be selected in year one of the program. Education quality will be evaluated based on the new examination system applied to students in 30

schools that use the new curriculum and a comparison group of 30 schools. The evaluation will concentrate on core courses such as mathematics and Dutch, and the analysis will control for students' socioeconomic characteristics, regions, and academic proficiency of teachers and principals and/or hours of training received. This test will be given to all students at the end of third grade and will be repeated annually. A similar and separate analysis will be utilized for ICT in education after year two, when ICT education pilots are developed.

- 3.5 **Component 3.** The evaluation of this component will: (i) verify the completion of school construction, including the delivery of furniture, equipment and materials; (ii) verify that appropriate building material are utilized for the Interior, and environmental and social issues addressed; and (iii) assess the involvement of local stakeholders in the process. A quantitative evaluation will be conducted to evaluate: (i) decrease in overcrowded schools where new facilities are built; and (ii) increase in access to schooling.
- 3.6 **Component 4.** A qualitative evaluation will be utilized for this component. The program will have a baseline and annual measurements in at least 30 schools regarding: (i) number of hours students and teachers are at school per day; (ii) hours students and teachers are in the classroom per day; (iii) time teachers spend on teaching; and (iv) percent of teachers using the EMIS to track student progress and develop student work plans. The number of MOECD departments that incorporate M&E functions into their work will be assessed.
- 3.7 **Midterm.** Loan resources will finance an external midterm formative evaluation two years after program commencement. The formative evaluation will analyze progress towards achieving planned outputs, bottlenecks in the implementation process, suggest solutions to these challenges and recommend program modifications based on lessons learned during the review period.
- 3.8 **Final evaluation.** A final evaluation will be conducted at the end of Phase I and Phase II of the program using loan resources. An ex-post evaluation will be conducted 12 to 18 months after the end of Phase II using counterpart resources ([Monitoring and Evaluation](#)).

Development Effectiveness Matrix			
Summary			
I. Strategic Alignment			
1. IDB Strategic Development Objectives	Aligned		
Lending Program	(i) Support small and vulnerable countries, and (ii) Reduce poverty and to promote social equity.		
Regional Development Goals			
Bank Output Contribution (as defined in Results Framework of IDB-9)	(i) Students benefited by education projects (boys, girls), and (ii) Teachers trained.		
2. Country Strategy Development Objectives	Aligned		
Country Strategy Results Matrix	GN-2637-3	Improve quality of education and curricula at primary level.	
Country Program Results Matrix	GN-2661	The intervention is included in 2012 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	Maximum Score
	9.9		10
3. Evidence-based Assessment & Solution	9.9	25%	10
4. Ex ante Economic Analysis	10.0	25%	10
5. Monitoring and Evaluation	9.6	25%	10
6. Risks & Mitigation Monitoring Matrix	10.0	25%	10
Overall risks rate = magnitude of risks*likelihood	Low		
Environmental & social risk classification	C		
III. IDB's Role - Additionality			
The project relies on the use of country systems (VPC/PDP criteria)			
The project uses another country system different from the ones above for implementing the program			
The IDB's involvement promotes improvements of the intended beneficiaries and/or public sector entity in the following dimensions:			
Gender Equality	Yes	Increases access to education for both gender groups given divergence in gender marginalization between the Interior and Paramaribo.	
Labor	Yes	Contributes to human capital development by improving quality of education.	
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			
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	The ex-post evaluation will provide evidence on addressing the sustainability of curriculum re-design for continuity in education quality, allowing the MOECD to build upon this to address the issues of education quality at the other basic education levels, beyond the focal areas of primary addressed by this program.	

The objective of the program is to increase the learning outcomes of students in the education system of Suriname from pre-primary through junior secondary education nationally, and improve the internal efficiency and quality of the new basic education system. It will contribute to the strategic objective of improve quality of education and curricula at primary level, and it is included in the 2012 Country Program Document.

The program presents the factors that contribute to the development of the problem and there is empirical evidence of the problem and factors. It is clear in its objectives, there is consistency in its logic of intervention, and it has SMART indicators. There is an economic analysis for some of its components. The program has a clear evaluation plan with an experimental impact evaluation for some of its components. Risks have been identified as well as mitigation measures, and indicators to follow up the implementation of these measures are included.

## RESULTS FRAMEWORK

<b>Project Objective:</b>	The overall objective of the program is to increase the learning outcomes of students in the education system of Suriname from pre-primary through junior secondary education nationally, and improve the internal efficiency and quality of the new basic education system. The program is a multi-phase operation with two phases spanning an eight year period (Phase I: year 1–4; Phase II: year 5–8). Phase I will focus on developing the curriculum framework for the entire basic education system and on increasing learning outcomes of students in grades 1 to 8. Phase II will focus primarily on improving learning outcomes in the junior secondary grades of the basic education system. Phase I of this program will focus on four components: (i) improving student learning outcomes in basic education in grades 4 to 8, with an emphasis in Dutch and mathematics, and in teaching approaches; (ii) Information and Communication Technology (ICT) in education and implementing pilots to test different strategies for utilizing ICT; (iii) increasing access to education through school construction and expansion; and construction of teacher housing in the interior; and (iv) improving management of the education system at the Ministry of Education and Community Development (MOECD) and school levels.
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Outcome Indicators	Base Level	Target Level	Comments
Learning outcomes in students in grades 3 and 7.	To be determined	Increase by 10%	Learning outcomes (exam results at end of each school year) of students using the revised curriculum are compared to those not using it. The baseline will be the exam scores taken at the end of the 2011-2012 school year. The evaluation will focus on students having used the new curriculum for at least two years.
Dropout rates in grades 3 to 5.	Grade 3: 7% Grade 4: 7% Grade 5: 8%	Decrease in dropout rates: Grade 3: 5% Grade 4: 5% Grade 5: 6% <b>(Trigger)</b>	MOECD Yearbook of Statistics.
Repeaters in grades 3 to 5.	Grade 3: 19% Grade 4: 17% Grade 5: 17%	Decrease in repeaters: Grade 3: 15% Grade 4: 13% Grade 5: 13% <b>(Trigger)</b>	MOECD Yearbook of Statistics.

	Base	Year 1	Year 2	Year 3	Year 4	Target	Comments
<b>Component 1. Improve student learning outcomes in basic education</b>							
<b>Outputs</b>							
Curriculum for grades 3 to 6 approved.	0	0	0	Grade 3-4	Grade 5-6	Grades 1-6 (Trigger)	MOECD acceptance and certification of curricula. Curriculum revision includes completion of curriculum guides, learning lines and teaching materials for grades 3 to 6.
Pilot of curriculum for grades 4 to 8 completed.	0	0	0	Grades 5-6	Grades 7-8	Grades 5-8	Consultancy evaluation reports. MOECD certification. Pilots will be conducted in 30 schools per grade (approximately 10% sample).
# of teachers trained in using new teaching methodology.	0	0	1,500	2,000	1,500	5,000	Consultancy reports. Research and Planning (R&P) department records.
Basic education legislation, which includes the abolishment of the tracking system, approved.	0	0	0	0	1	1 (Trigger)	Final legal document approved by GOS.
Strategic plan to reform junior secondary grades developed.	0	0	0	1	0	1 (Trigger)	Plan approved by the MOECD.
<b>Intermediate Outcomes</b>							
# of trained teachers using participatory approaches in the classroom.	0	0	75%	80%	85%	85%	Records from MOECD inspectors from school visits, classroom observations.
Learning outcomes in grades 3 and 7 in Dutch and mathematics.	0	0	5%	10%	15%	Increase by 15%	Exam results are compared to students not using the revised curriculum. The baseline will be the exam scores taken at the end of the 2009-2010 school year.
<b>Outcomes</b>							
Student repetition rates in grades 3 to 5.	0	0		2%	2%	Decrease by 4%	MOECD Yearbook of Statistics. Baseline per grade: grade 3: 19%; grades 4 and 5: 17%.
Promotion rates.		0		1%	3%	Increase by 3%	MOECD Yearbook of Statistics. Baseline will be taken from R&P Department in 2010-2011 school year.

	Base	Year 1	Year 2	Year 3	Year 4	Target	Comments
<b>Component 2. Information and Communication Technology (ICT) in education</b>							
<b>Outputs</b>							
Draft National ICT in education policy and draft strategy completed.	0	0	0	1	0	1 (Trigger)	Draft ICT Policy and strategy completed.
ICT in education content is piloted in schools.	0	0	10	10	10	10	School records. Production and distribution of teaching materials Under-Directorate records. Program report.
<b>Intermediate outcomes</b>							
Student ICT use in the classroom for schools in pilot.	0	0	5%	10%		Increase by 10%	MOECD Yearbook of Statistics.
# of schools using ICT in education modules.	0	0	10	10	10	10	R&P data. Formative evaluation report.
<b>Outcomes</b>							
Student performance in grades 3 and 7.	0	0	0	5%	10%	Increase by 10%	Data from Testing and Assessment Department on exams. Exam results are compared to students not using the revised curriculum (Phase II schools). The baseline will be the exam scores taken at the end of the 2009-2010 school year.
<b>Component 3. Increase access to basic education in the interior and improve facilities of MOECD</b>							
<b>Outputs</b>							
# of new public schools built and equipped.	0	0	2	2	0	4 (Trigger)	Report from Supervision consultant. MOECD Technical Department and Bureau of Interior records.
<b>Intermediate Outcomes</b>							
Access to junior secondary grades.	0	0	5%	8%		Increase by 8%	Verified through records in the R&P Department.
<b>Outcomes</b>							
Primary education completion rate.	0	0	0	5%	10%	Increase by 10%	MOECD Yearbook of Statistics. The current completion rate is 50%.

	Base	Year 1	Year 2	Year 3	Year 4	Target	Comments
<b>Component 4. Improvement of the management at the MOECD and schools levels</b>							
<b>Outputs</b>							
# of MOECD staff complete training.	0	0	20	5		25	Consultancy reports from the training. MOECD department records.
EMIS hardware installed and functional at MOECD R&P Department.	0			1		1	Consultancy report, and verified by R&P Department.
# of selected schools connected to student performance tracking system of EMIS.	0	0	25	65	60	150	30 schools in the Interior Verified by R&P Department and formative evaluation.
Monitoring and evaluation system completed.	0	1				1	Verified by R&P Department submission of data and information produced by M&E system.
# of public information campaigns (i.e. newspapers ads, TV, seminars, etc.) regarding program progress.	0	4	6	8	8	26	Report from the consultant, R&P Department, Communication.
<b>Intermediate Outcomes</b>							
% of trained staff utilizing learning from training.	0		30%	50%	75%	75%	Observations from supervisor; formative evaluation.
% of MOECD trained staff that collect and analyze data from EMIS.	0		50%	60%	75%	75%	R&P Department data; formative evaluation.
<b>Outcomes</b>							
% of teachers in schools with the EMIS that use the performance tracking system to track student progress and produce student work plans.	0			25%	75%	75%	Reports from school inspectors, teachers and directors.
# of selected MOECD departments that use the M&E system to retrieve information.	0	1	2	3	5	5	R&P Department, MOECD Department Heads.



## **FIDUCIARY ARRANGEMENTS**

**COUNTRY:** Suriname

**PROJECT N°:** SU-L1019: Second Basic Education Improvement Program (2<sup>nd</sup> BEIP) - Phase I

**EXECUTING AGENCY:** Ministry of Education and Community Development (MOECD)

**PREPARED BY:** Rinia Terborg-Tel, Fiduciary Financial Management Specialist; Lourdes Sanchez-Alvarez, Fiduciary Financial Management Sr. Specialist; Roy Parahoo, Fiduciary Procurement Lead Specialist.

### **I. Executive Summary**

- 1.1 The objective of the Second Basic Education Improvement Program (2<sup>nd</sup> BEIP) - Phase I is to increase the learning outcomes of students in the education system of Suriname from pre-primary through junior secondary education nationally, and improve the internal efficiency and quality of the new basic education system. The strategic objective of the program is to eliminate the tracking system and create a new basic education system with initial focus on the first eight years from pre-primary through primary. The project execution period will be of four years. The total of the Bank contribution will be US\$12 million.
- 1.2 The Program Management Structure will be embedded within the Ministry of Education and Community Development (MOECD) including key responsibilities and functions of Financial Management and Procurement. The current institutional setting has been assessed as having a high fiduciary risk, therefore mitigation actions have been developed in order to strengthen the internal control environment, the accounting and financial reporting system, the institutional capacity as it relates to familiarity with IDB's fiduciary procedures and requirements; and the communication between the core management team and the coordinating body of the MOECD.
- 1.3 The main fiduciary arrangements will include formal and informal training to the officers in charge of fiduciary activities, the deployment of an accounting system for the recording and reporting, an operational manual that will be developed as well as external audit arrangements. In addition, an Institutional Capacity Assessment (ICAS) will be conducted to follow up on strengthening actions designed to mitigate the fiduciary risk level of the Project within one year of project implementation.
- 1.4 The main basis for the high risk on the MOECD fiduciary capacities is based on the public sector fiduciary context in Suriname that was assessed in April 2011, through a Public Expenditure and Financial Accountability (PEFA). The review found that Public Financial Management (PFM) systems in Suriname face structural, institutional and regulatory challenges. These challenges constitute a limitation to the efficiency, effectiveness and transparency needed for the management of public resources, including foreign contributions. The Bank policies for procurement will apply in accordance with the country thresholds table below (¶6.16).

## **II. Executing Agency's Fiduciary Context**

- 2.1 The fiduciary context of MOECD is documented in the PEFA review. The relevant findings indicate that the legal framework for PFM is outdated and not consistent with best practices. The PEFA report highlights important gaps in the areas of investment, budget planning and execution, financial management, internal controls, and external audit. The financial management system used within ministries including MOECD is the Financial Information System (FINIS) software which does not satisfy the Bank's accounting and reporting requirements; the internal audit function within the ministries is incipient and the external audit is not being exercised with the scope that the Bank requires. Ministries' budget planning, execution and reporting processes are manual. Apart from the ceiling provided to each ministry on a monthly basis, there are no monitoring mechanisms on the execution of the budget. There are no reconciliation processes in place. The budget execution report presents deviations compared to the approved budget and therefore the budget is not credible. There is no treasury function. Cash flow planning and monitoring are rudimentary processed on a manual basis as well.
- 2.2 The internal audit is incipient. Internal control within the ministries is weak due to the fact that public institutions do not have a legal responsibility to implement and put in place internal control systems to ensure compliance with applicable laws, regulations, therefore reliability and integrity of financial information is low. In addition, if some internal audit is carried out, no standard audit procedures are followed. In terms of external audit the Surinamese law requires all public institutions to be audited. The Supreme Audit Institution (Rekenkamer) is in charge of the external audit of the public sector, but this responsibility has been exercised with a very limited scope and with many technical challenges.
- 2.3 In practice external audit is conducted by independent external auditors, not by the Supreme Audit Institution (SAI). External audit on the financial statements of the Government of Suriname (GOS) has not been exercised since 2004 by the SAI in Suriname.
- 2.4 In the area of public procurement management, the regulatory and legal framework is also inconsistent with accepted international best practices and there is no information system to produce and disseminate procurement information. There is no designated authority for monitoring this function.
- 2.5 The GOS is committed to improve the PFM and procurement systems with IDB support through the implementation of a modern legal framework and the establishment of effective mechanisms to perform these functions. The IDB Country Strategy 2011–2015 addresses the GOS priorities on streamlining: (i) public investment management system; (ii) public procurement; and (iii) public financial management and audit through a three operation PBL - Strengthening of Public Capital Expenditure Management. The approach of the GOS points to the need for improved management tools to more effective projects implementation and execution. This includes a procurement system, which is competitive, effective, fair, efficient, non-obstructive, and transparent; a financial management system, which enables effective allocation of resources; and, a comprehensive and effective audit system, which will facilitate transparency and provide

feedback regarding the quality of decision making and efficacy of the management process.

- 2.6 Until these interventions have taken root, country systems relating to accounting and financial reporting, internal control, external auditing, and procurement will not be used. The IDB's policies and procedures will remain applicable to procurement and financial management overall.
- 2.7 Currently, the portfolio of the Bank in Suriname that corresponds to the Country strategy 2011-2015 is managed through the establishment of special project execution units set up within the line ministries and/or semi-autonomous institutions called parastatals. This is in accordance with the GOS objective to build sustainable capacity within the government. The Bank provides and conducts close fiduciary support and supervision on these institutional arrangements and it provides continuous training and advice as needed on Bank's policies and procedures.
- 2.8 The current specific case of the MOECD executing unit arrangement, where the fiduciary risk was assessed as high but that can be leveraged to medium with agreed upon fiduciary arrangements, is discussed below.

### III. Fiduciary Risk Evaluation and Mitigation Actions

- 3.1 The overall financial management risk rating of the Executing Agency is high in all areas. However, the implementation of the mitigation actions indicated below should reduce the risk level to medium.

Risks Identified	Risk	Mitigating Measures
Formal assignment of functions and responsibilities for financial management and procurement processes. Operations manual describing roles and functions as well as processes.	High	Implementation of a proper financial management structure that comprises: <ul style="list-style-type: none"> <li>Financial management responsibilities that will include: a financial officer and procurement officer. Development of an Operational, Financial and Administrative manual which will include the description of the policies, procedures and internal control requirements, for an adequate management of the planning, budgeting, cash flow, accounting and reporting processes.</li> <li>Financial planning activities need to be clearly designed and implemented, to facilitate the adequate cash flow needs for the execution of project. This plan will serve as the basis for the Bank's disbursement projections.</li> </ul>
Financial recording and reporting weaknesses.	Medium-High	An accounting system, which will facilitate financial reporting and budgeting under the project, according to source of funding and categories of investments (at a minimum) should be implemented for the project.
Lack of awareness of IDB procurement, disbursements and financial reporting procedures.	High	Training on Bank's financial management and procurement procedures will be provided to the core program management team established for implementing the program on a continuous basis.

Risks Identified	Risk	Mitigating Measures
Poor internal communication between the core management team and key stakeholders (decision makers) within the MOECD.	High	Review of the communication network with a view to a more effective inter-departmental reporting.
No internal audit capacity.	High	Strengthening of the internal audit function to include the traditional monitoring of financial transactions.
Weak execution of project's activities due to low commitment of the EA.	High	Bank fiduciary staff will conduct inspection visits on a quarterly basis to ascertain the proper financial management c.q. adequate functioning of the accounting systems, and the adequacy of the internal controls system.

#### 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 the Legal Department, herein are suggested Fiduciary Arrangements that could be considered in the special conditions include:
- a. The creation of the MOECD Coordinating Body, Project Management Unit (PMU), the appointment of the MOECD advisory Committee and the hiring of a Project Management firm; Financial Structure established at the Bank's satisfaction. This will include, among others, the hiring of the following staff: one Financial Manager and Procurement Officer.
  - b. The program should have the necessary bank accounts in Surinamese Dollars SRD and in US dollars at the Central Bank for the management of the program resources and a listing of authorized signatures will be provided to the bank.
  - c. An accounting system, which will facilitate financial reporting and budgeting under the project, according to source of funding and categories of investments (at a minimum) should be implemented for the project.
  - d. An Operational, Financial and Administrative Manual, including –among others- policies, procedures and internal control requirements, for an adequate management of the planning, budgeting, cash flow, accounting and reporting processes.
  - e. Financial plan detailing the first year activities and documented in order to support Bank's disbursements.
  - f. Approval of the Program Execution Plan, Operational Manual, and Procurement Plan.
  - g. Hiring of independent external auditors for the audit of the program. The Executing Agency will be responsible for contracting of an external auditor eligible to the Bank to perform the program audit as follows: (i) an annual financial wide/agreed scope audit of the program to be submitted within 120 days of the end of fiscal year; (ii) a semi-annual review of the disbursement processes to be submitted within 60 days of each period (iii) a quarterly assurance report

with a conclusion on the reasonableness of the performance of the education program, to be submitted within 30 days of the end of each quarter; and (iv) one final financial audit of the Program to be submitted within 120 days after the date of last disbursement.

## **V. Requirements and Agreements for Execution of Procurement**

- 5.1 All records and files will be maintained by the Executing Agency, according to accepted best practices, and be kept for up to three (3) years beyond the end of the operation's execution period.
- 5.2 **Application of procurement policies for goods, works and non-consulting services:** For applicable procurement policies for goods, works and non-consulting services please refer to document Policies for the procurement of Goods and Works and Non-consulting Services Financed by the Inter-American Development Bank, GN-2349-9.
- 5.3 **Application of policies for the selection of consulting services:** For applicable procurement policies relating to the selection of consultants, refer to document Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank, GN-2350-9.
- 5.2 Methods and threshold amounts to be applied to works, goods, non-consulting services and consulting services: The IDB thresholds table for Suriname will apply (¶6.16).

## **VI. Special Agreements Regarding Procurement**

- 6.1 Use of electronic on-line systems for the publication and management of the procurement plans: The on-line Electronic Procurement Execution System (known by its Spanish acronym as SEPA) introduced in Suriname in 2010 will be used for the publication and updates of the procurement plan. It is expected that the executing agency will use the SEPA program for management of its procurement activities.
- 6.2 Use of national or other documents than the Bank standard documents for competitive bidding: None.
- 6.3 **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 procurement plan. In addition, for all projects, the Borrower is required to prepare and submit to the Bank a draft General Procurement Notice.
- 6.4 **Procurement of goods, works, and Non-Consulting services:** The procurement plan for the Program, covering the duration of project execution is summarized in the Procurement Plan, 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.
- 6.5 **Procurement of IT systems:** None.

- 6.6 **Procurement of consulting services:** The procurement plan for the operation, covering the duration of project execution is summarized in the Procurement Plan, 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 Terms of Reference (TOR), shortlists, selecting the consultants, and awarding and subsequently administering the contract.
- 6.7 **Sole source selection or direct contracting:** to be used only in exceptional circumstances and is based on the Bank's no objection to the justification.
- 6.8 **Selection of individual consultants:** Individual consultants are employed on assignments for which: (i) teams of personnel are not required; (ii) no additional outside (home office) professional support is required; and (iii) 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.
- 6.9 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.
- 6.10 **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.
- 6.11 **Recurring expenses:** Include payment of utilities and other office operating expenses of the Program Management Unit (PMU), if any.
- 6.12 **Advance contracting/retroactive financing:** Section 1.9 of the procurement policies allows for retroactive financing and advance contracting where the procurement procedures, including advertising, are in accordance with the procurement policies in order for the eventual contracts to be eligible for Bank financing. The Bank shall review the process used by the Borrower. A Borrower undertakes such advance contracting at its own risk, and any concurrence by the Bank with the procedures, documentation, or proposal for award does not commit the Bank to make a GRIF/Grant for the project in question. If the contract is signed, reimbursement by the Bank of any payments made by the Borrower under the contract prior to GRIF/Grant signing is referred to as retroactive financing and is only permitted within the limits specified in the GRIF/Grant Contract.
- 6.13 **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.

- 6.14 **Other requirements:** Use of national or other documents than the Bank standard documents for competitive bidding: None.
- 6.15 **Procurement Plan and supervision (PP):** The procurement plan for the operation covering the duration of project execution is summarized in Appendix IV. 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 updated annually or whenever necessary, or as required by the Bank.
- 6.16 **Country thresholds:**

**Table 1: Country Thresholds for Procurement (in US\$'000s)<sup>1</sup>**

Works			Goods			Consulting Services
International Competitive Bidding	National Competitive Bidding	Shopping/ Price Comparison	International Competitive Bidding	National Competitive Bidding	Shopping/ Price Comparison	Short Lists Solely by Nationals/ NCB
≥1,000	100 – 1,000	<100	≥100	25 - 100	<25	<100

## **VII. Fiduciary arrangements for Financial Management**

### **A. Programming and budget**

- 7.1 For the purposes of the program, the executing agency will prepare and implement an operation plan, which will include the budget plan, procurement plan and a financial plan, consistent with a 12-month financial plan that will be required from the Executing Agency on an annual basis.

### **B. Treasury: disbursements and flow of funds**

- 7.2 The Executing Agency will open the necessary bank accounts in Surinamese Dollars (SRD) and in US dollars at the Central Bank for the management of the program resources and a listing of authorized signatures will be provided to the Bank.
- 7.3 As described in 1 above, the 12-month financial plan will serve as the basis for the determination of the funds the Bank will disburse to the Executing Agency to cover the program's needs for the period of three months during the first year of implementation. After an updated ICAS is performed the disbursement period could be increased. The main disbursement methodology that will be used for the project is the advance of funds. Advances will be made based on liquidity needs of the project. Other disbursement methodologies that will be used on a smaller scale are the Reimbursement of Payments Made and Direct Payment to Supplier methodologies.
- 7.4 Disbursements will be ex-post, except for Requests for Direct Payment to Suppliers. The executing agency will be responsible for the maintenance of adequate and original documentation to support disbursement requests.

<sup>1</sup> Available at [www.iadb.org/procurement](http://www.iadb.org/procurement).

**C. Accounting and information systems**

- 7.5 The Executing Agency will utilize an off the shelf accounting and financial management system for the accounting and financial reporting of the IDB funded project, that will be adapted to the program's needs. The cash basis of accounting will be used for reporting purposes.

**D. Internal control and audit**

- 7.6 The Executing Agency will establish an internal control system that should provide reasonable assurance that: (i) the project funds are used for their intended purpose; (ii) project assets are properly safeguarded; (iii) project transactions, decisions and activities are properly authorized and documented; and (iv) project transactions are executed in accordance with the established policies and procedures delineated in the legal agreements. In addition proper segregation of duties, approval authority levels for signature of contracts, commitment of funds, reception of goods and services and payment to suppliers and beneficiaries should be arranged adequately.

**E. External control and reporting**

- 7.7 The external audit of the program will be performed by an independent audit firm acceptable to the Bank. Audits will be performed in accordance with Bank's Guidelines for Financial Reports and External.

**F. Financial supervision plan**

- 7.8 Bank fiduciary staff will conduct inspection visits on a quarterly basis to ascertain the proper functioning of the accounting systems, and the adequacy of the internal controls system.

**G. Execution mechanism**

- 7.9 The Program management structure will be composed of a Coordinating Body to provide the overall program vision and the Program Management Unit (PMU) situated within the MOECD. The Unit will include a core management team and designates from key MOECD departments. Also, an Advisory Committee will be formed composed of key stakeholders that will offer regular input and advice on program implementation. A project management firm will also be contracted to provide regular support to the core management team on management issues. The PMU will be physically located within the Ministry of Education and Community Development. However, the services of dedicated fiduciary staff including a procurement officer and financial manager will be procured to mitigate the identified weaknesses in financial management and procurement at the MOECD.