



Board of Executive Directors

For consideration

On or after 14 October 2015

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Simultaneous Disclosure

To: The Executive Directors
From: The Secretary
Subject: Jamaica. Proposal for a loan for the project "Support for Education Sector Reform III"

Basic Information: Loan type Programmatic Policy-Based Loan (PBP)
Borrower Jamaica
Amount up to US\$25,000,000
Source Ordinary Capital

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Remarks: This operation is the third loan in a programmatic series of three consecutive single-tranche operations, technically related to one another but independently financed as programmatic policy based loans, in accordance with document CS-3633-1, "Policy-based Loans: Guidelines for Preparation and Implementation. New version".

As established in document GN-1838-1, "Criteria and norms for Board and Management relations", dated 1 July 1994, policy-lending operations are considered by the Board of Executive Directors by Standard Procedure.

Reference: GN-1838-1(7/94), DR-398-17(1/15), GN-2200-13(4/05), CS-3633-1(6/14), CS-4097(9/15), PR-2505(8/00), DE-69/00, PR-3313(10/08), DE-125/08, PR-3340(11/08), DE-172/08, PR-3529(2/10), DE-14/10, DE-15/10, PR-4305(7/15), DE-72/15

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

JAMAICA

SUPPORT FOR EDUCATION SECTOR REFORM III

(JA-L1033)

LOAN PROPOSAL

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ABBREVIATIONS	
BA	Bachelor's Degree
CAA	Curriculum and Assessment Agency
CAP	Career Advancement Program
CSEC	Caribbean Secondary Examination Certificate
DSS	Department for School Services
EEO	Optional Electronic Link (Spanish acronym)
EER	Required Electronic Link (Spanish acronym)
EFF	Extended Fund Facility
EMIS	Education Management Information System
ESTP	Education Sector Transformation Program
ETT	Education Transformation Team
FY	Fiscal Year
GCI-9	Ninth General Increase in the Resources of the Inter-American Development Bank
GDP	Gross Domestic Product
GOJ	Government of Jamaica
GSAT	Grade Six Achievement Test
HR	Human Resources
ICT	Information and Communication Technology
IDB	Inter-American Development Bank
IDP	International Development Partners
IMF	International Monetary Fund
JTC	Jamaica Teaching Council
J-TEC	Jamaica Tertiary Education Commission
JSAS	Jamaica School Administrative Software
MOE	Ministry of Education
MOFP	Ministry of Finance and Planning
NAP	National Assessment Program
NPTA	National Parent Teacher Association
NPV	Net Present Value
NCEL	National College for Educational Leadership
NEI	National Education Inspectorate
NET	National Education Trust
NPTA	National Parent Teacher Association
NSC	National Standards Curriculum
OPC	Office of the Parliamentary Counsel
PBP	Programmatic Policy Based Loan
PCR	Project Completion Report
PEP	Primary Exit Profile
PESP	Primary Education Support Project
PIOJ	Planning Institute of Jamaica
PMAS	Performance Management Appraisal System
POD	Proposal for Operation Development
QECs	Quality Education Circles
REA	Regional Education Agencies
SAU	Student Assessment Unit
SPF	Safeguard Policy Filter

SSF	Safeguard Screening Form
SWPBIS	School Wide Program for Behavior Intervention and Support
TF	Taskforce on Educational Reform
TSC	Teachers Service Commission
UWI	University of the West Indies
WB	World Bank

PROJECT SUMMARY
JAMAICA
SUPPORT FOR EDUCATION SECTOR REFORM III
(JA-L1033)

Financial Terms and Conditions				
Borrower: Jamaica			Flexible Financing Facility^(a)	
			Amortization Period:	20 years
Executing Agency: Ministry of Education (MOE), in coordination with Planning Institute of Jamaica (PIOJ) and Ministry of Finance and Planning (MOFP).			Original WAL:	12.75 years
			Disbursement Period:	12 months
Source	Amount (US\$)	%	Grace Period:	5.5 years
IDB (OC):	25,000,000	100	Supervision and Inspection Fee:	^(b)
			Interest rate:	Libor
			Credit Fee:	^(b)
Total:	25,000,000	100	Currency of Approval:	US\$ chargeable to the Ordinary Capital (OC)
Project at a Glance				
<p>Project Objective/Description: The objective of this program is to improve the learning outcomes of Jamaica's students by supporting the modernization of the MOE, increasing the effectiveness of the delivery of the education services, improving the standards and quality of education, raising the level of professionalism of the teaching profession, enhancing the accountability of the system and improving stakeholder and community involvement in education. The program's direct beneficiaries are close to 630,000 students currently served by Jamaica's education system as well as approximately 25,000 teachers it employs.</p> <p>The operation supports Jamaica's Education Sector Transformation Program in three main reform areas: (i) Modernization of the Ministry of Education; (ii) Curriculum, teaching, learning and school management; and (iii) Relationship with communities and stakeholders and behavior modification. The program is structured as a Programmatic Policy Based Loan (PBP) with three operations (see Annex II). This is the third operation of the series that will disburse US\$25 million in a single tranche.</p>				
<p>Special Contractual Clauses. Special conditions prior to the disbursement of loan resources: The disbursement of the only tranche of the loan will be subject to the compliance by the Borrower and to the Bank's satisfaction of the policy conditions set forth in the Policy Matrix (see Annex II) and in the loan contract (¶3.2).</p>				
<p>Exceptions to Bank Policies: None.</p>				
<p>The project qualifies for^(c): SV <input checked="" type="checkbox"/> PE <input checked="" type="checkbox"/> CC <input type="checkbox"/> CI <input type="checkbox"/></p>				

^(a) 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 considering such requests, the Bank will take into account operational and risk management considerations.

^(b) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors during its review of the Bank's lending charges, in accordance with the relevant policies.

^(c) SV (Small and Vulnerable Countries), PE (Poverty Reduction and Equity Enhancement), CC (Climate Change, Sustainable Energy and Environmental Sustainability), CI (Regional Cooperation and Integration).

I. DESCRIPTION AND RESULTS MONITORING

A. Background, Problem Addressed, Justification

- 1.1 **Macroeconomic Background.** Following years of uncertainty, Jamaica's economy has made important strides under the May 2013 Extended Fund Facility (EFF) with the International Monetary Fund (IMF). This four-year program is anchored on a primary surplus of 7.5% of Gross Domestic Product (GDP) and contains important structural reforms, including public sector management, tax reform and financial sector stability. After experiencing a severe contraction in output in the years following the global financial crisis in 2008, the country has returned to a modest growth path, with growth of 1.0% in FY 2013/14 and 0.2% in FY 2014/15. However, growth is projected to increase to 2% or more for the remainder of the program.
- 1.2 Jamaica has thus far successfully completed eight reviews of its EFF program with the IMF.¹ The government has made notable reforms in tax policy, tax administration and the ease of doing business. Public debt, while still high at 136.7% of GDP at the end of FY 2014/15, has been on a downward trajectory. In addition, the July 2015 debt management operation of buying back approximately US\$3 billion in debt owed under the Petrocaribe Agreement financed by US\$1.5 billion in external bonds, decreased debt-to-GDP by around 10%. At the same time, unemployment though still high, has been on a downward trajectory and was recorded at 13.2% for April 2015.
- 1.3 With a projected fiscal deficit of 0.3% of GDP, most of the FY2015/16 financing need of US\$1,181 million results from debt amortization.² This operation thus contributes 2.1% to overall financing³.
- 1.4 A significant decline in oil prices has provided a welcome reprieve to consumers and business within the Jamaica economy. The fall in oil prices has been a major contributing factor to a decline in inflation, from 8.3% in FY2013/14 to 4.0% in FY 2014/15. Similarly, the current account deficit as a percent of GDP was 5.3% for FY2014/15, and compares favorably to the deficit of 8.5% of GDP for FY2013/14. However, important risks remain, including a potential slowdown of the world economy, weather related shocks and reform fatigue. Important reforms under the IMF program are still ongoing, including lowering public sector wages as a share of GDP to 9 percent, a benchmark that was originally targeted for the current fiscal year 2015/16 but has been delayed to FY2016/17.⁴ In addition, continued support and success of the EFF program will require greater economic growth and more progress on social indicators. Given that the country has successfully completed eight reviews of the EFF program with the IMF and has made notable reforms in key areas, it is expected that the macroeconomic

¹ Jamaica required a waiver for missing the nominal primary surplus target in the eighth review. However the primary surplus as a percentage of GDP was still attained.

² This amount excludes the one covered by the pre-financing through the cash balances brought over from FY2014/15.

³ IDB also contributes to this year's financing needs with US\$130 million for JA-L1051: Fiscal Structural Programme for Economic Growth II approved in August 2015.

⁴ Similarly, wage negotiations following the wage freeze that expired in March 2015 have not been completed.

conditions will remain stable and are, therefore, conducive for policy-based lending.

- 1.5 **Education sector.** In 2004, a high-level Taskforce on Educational Reform (TF) was appointed by the Prime Minister to prepare a plan to overcome persistent underachievement in student learning and to place Jamaica on the path of creating a world class education system. At the time, less than one third of children entering grade one were ready for primary school,⁵ 30% of primary school leavers were considered illiterate and only 20% of secondary graduates had the necessary skills for employment or for entering post-secondary institutions.^{6,7} At the time, the average student performance in Math and Science in the Grade Six Achievement Test (GSAT) was 48% and in secondary level, only 36% of students obtained a passing grade in Mathematics and 45% passed English Language in the 2003 Caribbean Secondary Examination Certificate (CSEC). Concern over poor results in spite of the country's high expenditure on education called for policy makers to "move away from a culture of incremental reform and embrace a radical transformative approach to the achievement of growth in the education sector..." In 2005, the Education Transformation Team (ETT) was established to execute the recommendations of the 2004 TF report. The main problem presented in that report indicated that students' performance was still below the desired levels. Students' performance, although on an increasing trend, has not yet achieved the results envisioned at the onset of the reform. The targets set for students' performance of mastery of Grade 4 Test for 2015 for literacy and math were 85% and 60% respectively, and as at 2013/2014 academic year they were at 77% and 58%.
- 1.6 **The challenges of the education sector.** The TF Report on Education Reform, 2004, identified obstacles for better student performance as described in the previous paragraph in the following areas: (i) Governance and management of the education sector; (ii) Teacher management; (iii) Curriculum and Assessment; and (iv) School Infrastructure.
- 1.7 **Governance and management of the education sector.** The TF report found that the Ministry of Education (MOE) was hierarchical, over centralized, highly bureaucratic and heavily involved in operations, hampering its capacity to provide policy orientation to the sector or quality assurance.⁸ There were overlapping functions between divisions of the ministry and it micro-managed the delivery of education at the local level. The six Regional Education Offices⁹ had limited technical capacity, autonomy or budgetary resources, and were therefore restricted in carrying out functions, such as systematic monitoring and evaluation to ensure good performance and proper maintenance of schools. There was also a lack of alignment between the education regions and other administrative regions, namely the Parish boundaries, making it difficult to collaborate with local government entities on related health, social protection and security issues, among others.

⁵ [Readiness to enter grade 1 is measured with the Grade 1 Readiness Inventory, a test administered to all students in the first school term of Grade 1 to determine student's ability to cope with the primary curriculum.](#)

⁶ The skills for entering employment or post-secondary institutions is measured by the percentage of students achieving range 4 and 5 in at least four subjects in the Secondary School Certificate.

⁷ [Report Taskforce on Educational Reform.](#)

⁸ [PA Change Management and Communication Plan](#), July 2006; see also [PA Diagnostic Review Educational Services](#), 2006.

⁹ [PA Regional Education Agencies: Prior Options Review](#), July 2006.

- 1.8 The governance system was also found to have a weak financial management and information technology system and its administrative systems were outdated.¹⁰ Few manuals describing operations and procedures existed; thus, staff had to rely heavily on the experience and knowledge of individual employees which caused bottlenecks in the event of employee absenteeism, illness or other situations. The system was found to have an inadequate capacity to monitor and evaluate performance at any level. Over- and under-staffing were prevalent, affecting key functions such as policy and planning. Systems were heavily paper-based and needed updating and modernization, and clear Human Resources policies were missing. In sum, many systems were outdated, operated manually and required an update in technology, processes and policy.
- 1.9 At the school level, not all schools had established performance targets or used available information to improve. While MOE had a system of school inspections in place, it exhibited a number of shortcomings, including limited follow-up and use of findings as well as a perceived lack of objectivity. Visits were scheduled on a seven-year cycle which was clearly insufficient for assessing the strengths, weaknesses and development needs of schools.¹¹ Regarding the legislation on the sector, the Education Act was found to need an update in order to support greater decentralization, to provide regional offices and schools with more autonomy as well as the creation of new operational agencies.
- 1.10 **Parental involvement.** Lack of parental involvement to support children in schools has been identified as an important cause of the variable quality of the provision of education. Among the key root causes of inadequate parenting support are the breakdown of family structures, feelings of powerlessness among parents, inadequate parenting practices, poverty, low education levels and a tradition among schools of excluding parents.¹² Parents are recognized to be among the main stakeholders in transforming the education system and, therefore, increasing parental involvement in school activities is one of the initiatives regularly sought after to improve the quality of education. Furthermore, The Jamaican Birth Cohort Studies (1986–2003) and other longitudinal studies demonstrated that low levels of parental education, high levels of parental stress and limited stimulation in the home also impacted adversely on cognitive, academic and behavioral outcomes.¹³ These studies recommended that parenting education should be made a national priority and informed the development of the National Parenting Support Policy as well as parenting programs.
- 1.11 **Teacher management.** At the time of the sector assessment, no system was in place to ensure the quality of teaching or to streamline registration, licensing and in-service professional development with standards and appraisals. Only 20% of teachers were found to have a Bachelor's degree (first degree) in Education. Assessments of teacher training programs were rarely done and there was weak alignment of training with the strategic objectives of the Ministry or the needs of the schools. In addition, training facilities, resources and staffing were

¹⁰ [PA Diagnostic Report: Core Ministry Finance and Administration](#), July 2006.

¹¹ [PA Prior Options Diagnostic Review: Inspection and Assessment](#).

¹² [UNICEF Family Support Report and National Policy on Parenting Support](#).

¹³ Samms-Vaughan, M. (2008) 'Comprehensive Longitudinal Studies of Child Health, Development and Behaviour in Jamaica: Findings and Policy Impact', *West Indian Medical Journal*, vol. 57, no. 6, pp. 639-644.

insufficient. Institutionally, the Teachers Service Commission (TSC)¹⁴ was in charge of appointing teachers, as well as evaluating applications for their registration; maintaining a register of teachers; ensuring appeals by teachers against the decisions of School Boards; and considering and deciding upon applications from teachers for study, vacation, casual or special leave. The TSC was perceived as bureaucratic and slow, causing serious delays in ratifying or adjudicating appointments and disciplinary matters. Its rules were not clearly defined vis-à-vis teacher appointments and disciplinary matters at the regional and school level, and there was an inadequate system in place to effectively measure and monitor teacher performance. Also, teacher contracts were rigid and provided limited opportunities for mobility. As a result, the MOE did not have the authority to redeploy or retrench teachers when enrollments changed. Variation in student/teacher ratios led to inefficient use of resources.

- 1.12 **Curriculum and Assessment.** Lack of coordination hindered MOE's capacity to develop an integrated curriculum and assessment framework to give coherence to the system and to allow for continuous updating and improvement.¹⁵ Although the Ministry's Student Assessment Unit (SAU) provided assessment services and subsequent individual student data for key tests in schools, the unit was understaffed when compared to its workload and international standards. In countries of similar size, corresponding functions lead to units with double or more the number of staff. The SAU did not have the staff or the Information and Communication Technology (ICT) to undertake full-scale assessments.
- 1.13 **School Infrastructure.** The MOE reported the need for major upgrading and equipping of much of the existing infrastructure. Low levels of capital spending had led to a deterioration of the physical plant making it increasingly expensive to upgrade. Nearly all schools were lacking a maintenance plan. The 2001/2002 school census revealed that 46% of primary schools and 61% of secondary schools required major refurbishment. A more recent school planning exercise done by the Planning and Development Division of the MOE (2009) shows that still 60% of schools were in need of repair, 112 operated in double shifts and over 290 were overcrowded. Even though MOE had a clear policy of de-shifting schools (moving from double shifts to single shifts) and increasing the number of school hours for students, many schools still functioned in double shifts, indicating the need for additional places.
- 1.14 Following the diagnosis of the education system, the TF recommended transformations in three main areas: (i) governance and management of the sector, including changes to its institutional arrangements such as decentralization and the creation of new agencies and increased accountability mechanisms. It was suggested that the existing regional offices be transformed to better support the schools in regions with increased autonomy and authority at the regional and school levels, while allowing the MOE to achieve a more balanced distribution of functions. To this end, key investments in school infrastructure were envisioned as well as the creation of an agency to manage these investments; (ii) revamping of curriculum, teaching and learning support, which included, among other measures, the creation of a system of regular and objective inspections to allow timely changes to take place at the school level and the establishment of mechanisms to allow teachers to upgrade their

¹⁴ [PA Public Sector Entities: Prior Options Report](#), July 2006.

¹⁵ [PA Modernization and Implementation Plan](#), July 2006; see also [PA Diagnostic Review Service](#), July 2006.

qualifications to a first degree program and revisions to the role of the assessment unit to give it more strength and support; and (iii) strengthening stakeholder and community partnerships, in particular the greater involvement of parents in their children's education.¹⁶

- 1.15 **Education System Transformation Program (ESTP).** In 2009, the ETT became the Education System Transformation Program (ESTP) to continue implementation of the recommendations of the TF report. Based on the recommendations, the actions set for the ESTP included: (i) establishment of Regional Education Authorities (later changed to the Department for School Services (DSS)) to give direct support to schools, guided by the Central Policy Ministry; (ii) creation of the National Education Inspectorate (NEI) to evaluate school performance; (iii) creation of the Jamaica Teaching Council (JTC) in charge of raising the level of regulation, professionalism and quality of teaching; (iv) establishment of the National Centre for Educational Leadership (NCEL) with the task to improve leadership and management at the school level through Board and Principals' training and development; (v) regulation of the tertiary sector by the Jamaica Tertiary Education Commission (J-TEC); (vi) establishment of the National Parenting Support Commission (NPSC) to execute the parenting policy and be the focal point for the home school relationship; (vii) implementation of the National Literacy Strategy, the National Mathematics Strategy and the Lower Secondary Strategy as a means to improve the quality of primary and secondary education outcomes; (viii) establishment of an appraisal system for principals, guidance counselors and teachers to enhance accountability; (ix) improved quality of teaching by supporting continuing education of teachers; (x) infrastructure and facilities upgrades with non-traditional funding coming through the National Education Trust (NET); and (xi) improved stakeholder and community involvement in education.
- 1.16 These recommendations have been shown to be effective in other countries. Decentralization reforms have been introduced since the 1980's in different parts of the developed and developing world (Finland, United States, Canada, China, Israel, Brazil, El Salvador, Mexico, Indonesia, Kenya, and Madagascar among others) as a way to increase autonomy and accountability at the local level and ensure that schools respond to local priorities and values.¹⁷ Finland decreased its central steering and increased local decision-making at all levels of education, which helped to increase client satisfaction and improved educational outcomes overall.¹⁸ Education systems in Ontario and Massachusetts also have local education management units that are responsible for administrative and academic management of groups of schools, and the central Ministry interacts with schools through these intermediary structures. Overall, recent evidence suggests that decentralization policies: (i) do change the dynamics of the school, mobilizing parents and teachers to get more involved; (ii) have a positive impact in reducing repetition rates, failure rates and to a lesser degree, dropout rates; and (iii) have a positive association to student outcomes in some countries (El Salvador, Kenya, Mexico and Nicaragua).

¹⁶ This last area was included in accordance with the international literature that shows that parental involvement is key to overhaul education systems (see [IDBDOCS#39764739](#) and [IDBDOCS#39764753](#)).

¹⁷ Education Management and Leadership: A rapid review of literature.

¹⁸ [Education Reform in Jamaica: Recommendations from Ireland, Finland and Singapore.](#)

- 1.17 Studies of high performing education systems show that they all, not only have implemented institutional reforms that affect the roles and responsibilities of education management units at different levels, but also have set well-designed and connected teaching and learning elements to support students in their learning. Countries such as Finland, Ireland, Netherlands, South Korea and Singapore have moved from a rigid common curriculum to a more flexible one and maintained a strong focus on improving teaching because of its direct impact upon student achievement.¹⁹ Despite different cultural and political contexts, these high performing education systems consistently do three things: (i) attract talented individuals into the teaching profession; (ii) develop those individuals into effective teachers; and (iii) put in place systems and targeted support to ensure that every child is able to benefit from excellent instruction.²⁰ Also, these education systems have placed mechanisms to ensure that there is adequate student data to inform teaching and policy. Such data is geared towards identifying improvement needs in the system and to target support to those schools that need it the most.²¹ Hong Kong, England and New Zealand have created independent inspectorates to assess schools' quality. Schools which perform poorly are subject to more intensive scrutiny and more frequent reviews until performance improves.
- 1.18 Lastly, involvement of all stakeholders is necessary to shape and implement reforms. Research shows that active parent/family involvement in their children's education and in their schools has a significant benefit for the students. When schools, families and communities work together, children tend to do better in school, stay in school longer, like school more and schools do better.²² Ireland's Home, School, Community Liaison developed a scheme where parental involvement, especially in the areas of economic deprivation, not only benefits the children and school, but also is crucial for lifelong learning. As a result, teachers have reported improved performance by students in class, better attendance, and higher expectations.
- 1.19 **The Bank's support to the ESTP.** With this action plan in place, in 2007 the Government of Jamaica (GOJ) requested financial assistance from the Bank to support the ESTP. The Bank and GOJ agreed on a programmatic policy-based operation consisting of three sequential loans in the three main areas of the ESTP to reflect: (i) the initiation of policy changes for the ESTP for the first loan; (ii) advances in their implementation for the second; and (iii) the consolidation of policy actions for the third. The first operation in the Programmatic Policy Based Loan (Loan 2074/OC-JA), approved and disbursed in December 2008 for US\$30 million, established the policy matrix and results indicators for the programmatic loan. The second operation of the programmatic series (Loan 2300/OC-JA for the investment component and 2301/OC-JA for the PBL component), approved in 2010, was a hybrid operation with the Policy Based Loan (PBL) component of US\$30 million disbursed in 2010 and the investment component of US\$15 million that supported the construction of two schools,

¹⁹ Darling-Hammond, L. (2010). "Steady Work: How Countries Build Successful Systems." In Darling-Hammond, L. (2010). *The Flat World and Education: How America's Commitment to Equity Will Determine Our Future*. New York, NY: Teachers College.

²⁰ [How the world's best-performing school systems come out on top.](#)

²¹ Darling-Hammond, L. & Wentworth, L. (2010). *Benchmarking learning systems: student performance in international context*. Stanford, CA: Stanford University.

²² [Engaging parents and stakeholders in school wellness.](#)

expanded the use of IT systems within the MOE and conducted a literacy survey, later reformulated to the construction of one new school and the extension of two (2) secondary schools and to provide support for special education and curriculum and assessment. This proposed third operation of the programmatic series, for US\$25 million, will support actions leading to the consolidation of the sector reform process. The timing of the request for this third operation, after five years of the second operation of the programmatic series, is a reflection of the need, in some cases, for longer implementation periods between operations for the proposed changes to produce the intended results and for the reforms to mature.

- 1.20 The support of the programmatic loans aims at three main areas of the education reform: (i) modernization of the Ministry of Education; (ii) curriculum, teaching, learning and school management; and (iii) relationship with communities and stakeholders and behavior modification.
- 1.21 **Modernization of the Ministry of Education.** With support from the first programmatic loan, a framework for the institutional reforms was created with the aim of improving management and governance of the sector. The framework consisted of organizational structures for the main agencies; a definition of their missions and mandates and the role to be assumed in the reformed system; initial action plans containing information on required staffing, training to be provided, operational arrangements; and estimates of the anticipated costs. Where necessary, MOE obtained Cabinet approval for proposed changes in order to be able to advance with the reform efforts. MOE also conducted an analysis of the existing educational legislation (Education Act dating back to 1965) to ascertain which areas would need to be amended in light of the proposed reforms. With support from the second programmatic loan, MOE advanced in the creation of the NET to tackle the infrastructure challenge, the piloting of two Regional Education Agencies (REA), and the production of key operational guidelines and manuals for the JTC, and NEI.
- 1.22 Since the second programmatic loan, all these agencies have become operational. So far, NET has provided supervision for construction activities in 19 schools exceeding the established target of 10 schools. This agency has developed a three-year business plan and launched a marketing campaign that has helped raise important donations for school infrastructure through crowd funding. The NEI has developed a rigorous inspection system, trained a pool of approximately 400 inspectors and completed inspection of all public institutions in Jamaica at the primary and secondary levels (954), thus providing a baseline of school performance for the first time in the country's history. Also, the NEI has provided policy recommendations and valuable information to support school improvement; 674 inspection reports have been publicly disclosed on the MOE's website. In addition, 90% of schools inspected have used these reports to inform the development of their School Improvement Plans, surpassing the 60% target set originally.
- 1.23 Similarly, the JTC has done significant work in developing in-service teacher training opportunities and standards for teaching and is awaiting legislation approval to move forward with teacher licensing, which will improve the control of teacher qualifications. Currently, 95% of the approximately 25,000 teachers in the system have registered on its electronic portal. At the same time, JTC has been providing support for professional development of teachers through Quality

Education Circles (QECs), meeting the target of 95% of teachers trained. The JTC has also implemented a “Beginning Teacher” mentorship program. It has been promoting efforts to raise the standing of the profession and established annual awards to recognize outstanding teachers. The NCEL has trained 595 Principals and Education Officers under its Effective Principals Training Program, going beyond the target of 500 set at the beginning of the program. Additionally, through the University of the West Indies (UWI), NCEL has also trained and certified 40 aspiring Principals under the Aspiring Principals Training Program. It has developed a peer coaching program to improve performance of school administrators and leadership of mathematics instruction by Principals. As a result, the NCEL was recognized in 2014 by the Canadian Development Office for its innovative programs. Last, the Jamaica Tertiary Education Commission (J-TEC) is developing a national qualifications framework and is providing advocacy and policy support to the MOE on tertiary education.

- 1.24 **Curriculum, teaching and learning and school management.** For the first programmatic loan, the MOE put in place measures aimed at improving student performance. In particular, the MOE advanced in the design and subsequent implementation of measures intended to improve the quality of education through better teaching of numeracy and literacy²³ at the primary level and by putting a support structure in place for low performing schools. It drafted a lower-secondary education strategy to better articulate the primary and secondary levels; and in order to achieve more accountability in the system, the MOE developed new instruments for the performance evaluation of principals, guidance counselors and teachers. In the areas of curriculum and student assessments, the MOE completed an analysis of curriculum in secondary education with the aim to better align it with primary education and the standards of the exit exam at the end of grade 11. For the second programmatic loan, the MOE developed and tested the appraisal tool for principals, guidance counselors and teachers while simultaneously providing more support for improved teaching. The investment component of the loan provided for the construction of Cedar Grove Academy in St. Catherine, with a capacity for 1,200 students. Furthermore, during 2015 the BB Coke and Balaclava High Schools in St. Elizabeth will be extended, adding 560 student places.
- 1.25 Since the second programmatic loan, the piloting of the National Standards Curriculum (NSC) has begun in 48 schools island-wide, the profile for the Grades 2, 6 and 9 diagnostic exams has been completed, and work now continues to develop the Primary Exit Profile (PEP) to replace the GSAT. The National Literacy Program has resulted in the hiring of literacy specialists who reside in regional offices and support the work of literacy coaches in each school. The coaches are working to build capacity for the teaching of reading within the schools. Also, materials have been developed by the National Literacy Team to raise public awareness about the value of early literacy. New programs have been developed to provide specialized assistance to underperforming students aimed at improving overall student performance: (i) the Career Advancement Program (CAP)²⁴ provides secondary students with life skills and TVET

²³ Some of these initiatives, such as provision of new and updated curricula and assessments at both the primary and secondary level were, in part, initiated with previous education projects (e.g., Loan 1264/OC-JA).

²⁴ Support was provided to CAP under Loan 2309/OC-JA.

certification; (ii) the Alternative Pathway to Secondary Education will cater to approximately 8,000 students, inclusive of their different learning styles and abilities; and (iii) special education has screened some 7,628 children for psychological and other issues and is conducting follow-up meetings with parents and schools.

- 1.26 **Relationship with communities and stakeholders and behavior modification.** Improved involvement of communities and parents in the education of their children has been a pillar of the transformation process. To this end, for the first programmatic loan, MOE supported the creation of a National Parent Teacher Association (NPTA) and executed a program of community consultation in two regions of the country to inform the general public about the planned initiatives. In addition, the MOE conducted an internal social marketing campaign to inform MOE's staff about the pending reform to create ownership and commitment among them. The outreach and involvement of stakeholders remains an important ongoing element of the reform. For the second programmatic loan, the MOE, through the ESTP, established the National Parenting Policy and the Parenting Support Commission, developed a strategy on alternate behavior management and established a citizenship education program along with a newly developed value-based curriculum guide.
- 1.27 Since the start of the education reform, students' learning outcomes have shown steady progress. Results from the grade 4 literacy and numeracy assessment show a steady increase in the percentage of students achieving mastery. While in 2003 only 63% of 4th grade students mastered literacy, in 2014 the percentage rose to 77%. In numeracy, the percentage of students mastering the content rose from 38% in 2003 to 58% in 2014. In that same period, the national mean scores for all subjects at the GSAT increased significantly. For example, in Math it went from 44.9% to 60%, Language increased from 47.9% to 62% and Science rose from 46.1% to 68%. The CSEC results show important improvements as well. In 2003, the percentage of students attaining passing grades in five CSEC subjects, including language and math, was less than 11.5%, whereas in 2014, it increased to 38.6%. These results are expected to be linked to the reforms taking place in Jamaica as the international evidence of other countries going through similar reforms have shown (see ¶1.15-¶1.17). This shows that the reforms in place have been proven effective in the country.
- 1.28 **Lessons learned.** Through the education reform process supported by the two previous operations, MOE has learned valuable lessons that have been taken into account in this third operation. Among them: (i) the need for continuous stakeholder involvement and allocating considerable time and effort for discussion about the changes and the creation of ownership among major stakeholders. For this reason, one of the areas of reform supported by the series of programmatic policy based loans explicitly seeks to improve stakeholder and community involvement in education in general and in the reform in particular; (ii) allowance for longer implementation periods between operations for the proposed changes to produce the intended results. This has resulted in a longer period between the second operation and the proposed third operation of the series to allow the reforms to mature; (iii) the need to find mechanisms to mitigate the impact of the economic crisis which affected budgetary allocations to the MOE; and (iv) the time and importance of addressing the staffing of MOE that came with shifting to a more policy-oriented organization. In this case, for the

reform process MOE's Human Resources (HR) has re-written hundreds of job descriptions, created change champions to liaise with staff on the changes proposed, installed comment boxes and a strategic communications campaign across the MOE, developed a HR Transition Policy Guideline (now adopted by the government) to mitigate fears and misconceptions about job loss and restructuring as a result of the reform process. The programmatic approach chosen has proven to provide much needed flexibility to respond to these changes.

- 1.29 **Relationship to other Bank operations and operations of other international financial institutions.** The IDB has supported the education sector over the past 20 years, through the Primary Education Improvement Projects I & II, the Primary Education Support Project (PESP) (Loan 1264/OC-JA), the ongoing Supplemental to PESP (Loan 2100/OC-JA), the Youth Development Programme (Loan 2039/OC-JA) and the ESTP with first two operations of the programmatic based loan series, which began in 2008 and continues today with the third proposed operation. The ESTP has received parallel financing from the World Bank, as well as inputs from USAID and other local foundations. The international development partners (IDPs) have worked in close technical collaboration, including in the conceptualization of the policy matrix, which the MOE has used to lead the dialogue with all the IDPs. The World Bank specifically financed the operationalization of the key agencies to monitor progress and improve accountability and quality, namely the National Education Inspectorate, Jamaica Teaching Council, and Regional Education Authorities (now the DSS); implementation of a marketing strategy to mobilize resources for the NET; and implementation of a strategic communications strategy, and staffing and operating costs for the MOE's Change Management Unit, responsible for overseeing implementation of the ESTP.
- 1.30 **The Bank's Strategy in the Country and Sector.** The program is aligned with the IDB's Country Strategy with Jamaica, 2013-2014 (GN-2694-2), currently in its transition period, which focuses on supporting efforts to re-establish fiscal sustainability, maintain social stability, and promote private sector-led growth. In particular, the Education Reform Program supports the Country Strategy in the second area. Education is also expected to be an ongoing priority area in the upcoming country strategy in the proposed priority area of human capital development and poverty alleviation. This program will also contribute to the lending program priorities of the Ninth General Increase in the Resources of the Inter-American Development Bank (AB-2764) (GCI-9) by supporting small and vulnerable countries and reducing poverty and inequity by improving the educational outcomes of Jamaica's youth and, in term, increasing their labor perspectives and income. At the same time, it will contribute to the regional goal of increasing the proportion of 15 to 19 year olds that complete 9th grade and to the product of students benefitted by education programs as defined by the Corporate Results Framework. The project is also aligned with the Strategy for "Institutions for Growth and Social Welfare" (GN-2587-2) which recognizes the need for strengthening the institutional capacity of countries in the region as well as with the Strategy on Social Policy for Equity and Productivity (GN-2588-4), which highlight interventions that increase human capital as key factors for economic growth and development. Finally, it is also fully consistent with the Sector Framework Document for Education and Early Childhood Development (GN-2708-2) as it focuses on improving student learning.

B. Objective, Components and Cost

- 1.31 The objective of this program is to improve the learning outcomes of Jamaica's students by supporting the modernization of the MOE, increasing the effectiveness of the delivery of the education services, improving the standards and quality of education, raising the level of professionalism of the teaching profession, enhancing the accountability of the system and improving stakeholder and community involvement in education. The program's direct beneficiaries are close to 630,000 students currently served by Jamaica's education system as well as approximately 25,000 teachers it employs.
- 1.32 The program is structured as a Programmatic Policy Based Loan with three operations (see [Annex II](#)). This is the third operation of the series, and focuses on the three reform areas identified in the first programmatic loan in addition to maintaining stable macroeconomic conditions.
- 1.33 **Macroeconomic Stability.** The objective of this area is to maintain a sustainable macroeconomic policy framework consistent with the objectives of the program and the Policy Matrix ([Annex II](#)).
- 1.34 **Reform Area I. Modernization of the Ministry of Education (MOE).** The objectives of this component are to transform the MOE into a policy ministry focused on policy formulation, quality assurance, monitoring and evaluation, standard setting and agency coordination, and to strengthen its operational capacity to support schools and monitor their accountability for improved results.
- 1.35 As a condition for disbursement of the third operation, GOJ will present evidence that the policy conditions listed in [Annex II](#) pertaining to modernization of the central MOE are met. These conditions include the completion of the blueprint for the central MOE and DSS as evidenced by: (i) functions of the DSS and central MOE defined, the organizational structure and operational manuals developed; (ii) HR division with three key positions filled and the competency framework used by the Performance Management Appraisal System (PMAS) completed and rollout in progress; (iii) business plan for 2013-2015 and operational plan for 2014/15 completed; (iv) all jobs descriptions for NET completed and the Public Private Partnerships (PPP) manager recruited; (v) Education Management Information System (EMIS) designed and communications infrastructure connecting MOE with its offices island wide in place; and (vi) rationalization plan completed and 25 additional schools de-shifted since 2010. It is also required that progress be made in the pending legislative processes, as evidenced by the completion of all consultations on JTC legislation and drafting of legislation by the Office of the Parliamentary Counsel (OPC) for submission to Parliament as well as the drafting instructions for the amendment of the Education Act sent to OPC.
- 1.36 Regarding a more effective delivery of education through the decentralization of functions to the REAs, the policy conditions require the DSS to be operational, as evidenced by: (i) education regions aligned with parish boundaries; (ii) completion of school improvement plans by 80% of schools; (iii) DSS working with 132 at risk schools to include NEI recommendations in their school improvement plan; and (iv) establishment of 63 Quality Education Circles to support schools in improving performance.
- 1.37 Regarding the improvement of the standards and quality of the education system at all levels, the policy conditions require the NEI to be operational as evidenced

by: (i) NEI core staff hired; (ii) first cycle of inspections completed in all schools; (iii) 300 inspectors trained; (iv) inspection handbook printed; (v) guidelines for school self-evaluation distributed to all schools; (vi) inspection in all primary and secondary schools completed; and (vii) evaluation of inspection process completed.

- 1.38 Regarding raising the level of professionalism and quality of the teaching profession with the establishment and operation of the Jamaica Teaching Council (JTC), the policy conditions require that all consultations on JTC legislation be completed, that the legislation has been drafted by OPC for submission to the Parliament and that the JTC is operational as evidenced by: (i) standards for teaching profession developed; (ii) 95% of teachers registered in on-line platform; (iii) beginning teachers mentorship program implemented and 900 teaching mentors trained; (iv) teacher licensing regime developed; and (v) JTC administering in-service teacher training program.
- 1.39 Regarding the provision of an integrated curriculum and assessment framework, the MOE will show evidence of: (i) national standard curriculum (grades 1 to 9) drafted and being piloted; (ii) National Assessment Program (NAP) being revised to align to national standard curriculum (grades 2, 6 and 9); and (iii) national school leaving certificate developed.
- 1.40 Regarding the promotion of ownership of the transformation process within the Ministry, MOE will show evidence of ongoing internal MOE staff meetings to inform them about transformation efforts.
- 1.41 **Reform Area II. Curriculum, teaching and learning and school management.** This reform area intends to improve the quality of education through the implementation of the National Literacy Strategy and the National Mathematics Strategy; enhance accountability of the system through the appraisal of principals, guidance counselors, and teachers; and improve the quality of teaching by supporting continuing education for teachers.
- 1.42 As a condition for disbursement of the third operation, GOJ will present evidence that the policy conditions listed in [Annex II](#) pertaining to curriculum, teaching, learning and school management are met. In terms of improvement of quality of education, MOE will provide evidence of: (i) the National Comprehensive Literacy and Numeracy Programs being fully integrated into the national school curriculum by providing data indicating the improvement in the students' performance in Grade 4 literacy and numeracy tests; and (ii) how the learning needs of children are identified and served through Proficiency Pathways (primary) and Alternative Pathways (secondary). To show the introduction of measures for enhancing accountability in the system, MOE will provide evidence of: (i) the use of performance appraisal instruments for Principals and Guidance Counselors; (ii) NCEL using NEI inspections and appraisal reports to target training for Principals in under performing schools; and (iii) JTC using NEI inspection reports to focus in-service training in collaboration with the DSS. Finally, to show the government's support to improve the quality of teaching, MOE will show evidence of: (i) the policy decision requiring all teachers to have a BA degree with comparative information in the percentage of teachers with a bachelor's degree; and (ii) how UWI is providing quality assurance and certifying teacher training Bachelor's Degree (BA) programs.

- 1.43 **Reform Area III. Relationship with communities and stakeholders and behavior modification.** Improved relationships with communities and other stakeholders in the education sector, particularly parents, is an important pillar of the education transformation process. These efforts aim at informing and engaging the community and stakeholders and also improving behavior of youth. In this effort, MOE/ESTP continues to engage its major stakeholders with the expectation of eventually affecting behavior changes in students and also parents.
- 1.44 As a condition for the disbursement of the third operation, GOJ will present evidence that the policy conditions in [Annex II](#) are met to strengthen stakeholder involvement and efforts to modify behaviors, including: (i) the approval of the National Parenting Policy legislation; (ii) implementation and operability of the National Parenting Policy, with the establishment of the National Parenting Support Commission and evidence that parent mentors trained by the NPSC are reaching out to parents in the community; (iii) distribution twice a year of the Newsletter Transformation News to all staff and schools and every month of The Educator to all staff, as well as a weekly radio broadcast and monthly television show on the ESTP; and (iv) implementation in all schools of the School Wide Program for Behavior.
- 1.45 **Comparison of policy conditions between original and current operation.** There are no substantial changes from the conditions set forth for the third operation in the original Programmatic PBLs series from the ones presented in this third operation. Within the Reform Area I, the only difference is that it was originally envisioned to have in this operation all the legislative framework of the reform approved. However, given that the legislative process has proven longer than originally envisioned, the amendments to the Education Act and legislation for the JTC as a statutory body have not been approved, but they are well on its way, consultation and drafting instructions have been completed and are expected to be approved in the 2015 legislative year (April 2015 to March 2016). Regarding Reform Area II, the targets set forth for students performance are slightly behind those originally envisioned, however the scores have shown a steady increase over time (Mastery of Grade 4 Test for literacy and math in 2015 were targeted to be 85% and 60% respectively, and in the 2013/2014 academic year they were at 77% and 58%). In addition, the conditions for the third operation reflect the establishment of three important initiatives aimed at improving the quality of education: Identification of Children with special needs, the Proficiency Pathway Program and the Alternative Program for Exceptional Students. Regarding the improvement of the quality of teaching, the conditions in the third operation surpass the targets envisioned originally on the percentage of teachers with BA degree and it further adds a condition for improved quality assurance of certification of teacher training ([EEO#3](#)). Overall, the objectives of the programmatic series are expected to be materially attained with the completion of this operation.

C. Key Results Indicators

- 1.46 The key outcomes as described in the results matrix include: (i) improved student's learning; (ii) modernized central MOE focusing on policy formulation, monitoring and evaluation, standard setting and agencies coordination; (iii) effective delivery of education through decentralization of functions to the regions; (iv) improved standards and quality of the education system at all levels;

(v) raised level of professionalism and quality of teaching; (vi) enhanced accountability of the system; and (vii) improved stakeholder and community involvement in education (see [EER#3](#)).

- 1.47 **Economic Analysis.** A general economic analysis was performed to identify - and quantify when possible – all costs and benefits associated with the program. Incremental costs are quantified for 14 indicators and for the remainder of the indicators the costs are identified but not quantified assuming that they will be performed by the existing work force, especially the MOE. The Net Present Value (NPV) of the quantified costs at a discount rate of 12% over 20 years amount to US\$18,694,780.
- 1.48 Regarding the benefits, they include the savings rendered by improving the system's internal efficiency assuming that students that improve their performance in national tests are less likely to repeat and drop out of school. Another important benefit accounted for is the benefit to the society for having more graduates per year. Having completed primary education the graduates move on to secondary education. The amount gained in the first five years after primary graduation comes from those students who are prepared to access secondary education and at the end of which would be ready for the labor market. The NPV of these benefits at a discount rate of 12% yields for a benefit stream over 20 years of US\$26,277,230. Benefits to the society can grow even more when we consider that some students after finishing primary and secondary education matriculate to higher education. Additional benefits related to decentralization of key functions, raising the level of professionalism and quality of teaching, enhancing accountability of the system as well as improved stakeholder and community involvement in education have been clearly identified and backed up with the relevant literature. The results of the Economic Analysis show that the project is competitive and that investing in these areas of education is profitable. Sensitivity analyses were performed for key benefits showing the project is still profitable and has some margin for changes without significantly affecting the outcomes ([EEO#2](#)).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing Instruments

- 2.1 To support the implementation of its transformation plans, GOJ requested assistance from the Bank through a Programmatic Policy Based Loan consisting of three independent operations, technically related, accompanying the reform intended to span from 2008 to 2015. As stated previously: (i) the first loan (2074/OC-JA) was approved and disbursed in 2008 for the amount of US\$30 million; (ii) the second loan in the amount of US\$45 million was a hybrid operation with both a PBL component for US\$30 million (2301/OC-JA) disbursed in 2010 and investment component for US\$15 million (2300/OC-JA) currently in execution; and (iii) the proposed third operation as a single tranche Policy Based Loan for US\$25 million. The Programmatic Policy Based Loan structure and the accompanying financing arrangements is a flexible and effective mechanism to support complex and long-term reforms that require sequenced actions for implementation (see CS-3633-1). The operation will be financed through the Bank's Ordinary Capital.

B. Environmental and Social Safeguard Risks

- 2.2 The operation is a PBL therefore there are no associated environmental or social risks. In accordance with the Directive B.13 of the Bank's Environment and Safeguards Compliance Policy (GN-2208-20 and OP-703), no ex-ante environmental impact classification is required.

C. Fiduciary Risk

- 2.3 The three operations under this programmatic PBL present no fiduciary risk. A sole tranche was disbursed under the first and second loans and the same is planned for this third operation once the policy conditions are met. The Planning Institute of Jamaica (PIOJ) has successfully coordinated the first and second loans and has significant experience in managing externally funded projects. There will be no procurement activities, thus no procurement risks are foreseen.

D. Other Key Issues and Risks

- 2.4 **Macroeconomic and fiscal sustainability.** There is a medium risk of macroeconomic instability in the short to medium-term because Jamaica remains vulnerable to external economic and weather related shocks. Adjustments in the budget that would become necessary under such a scenario could have an impact on the allocation of resources to the sector. This could potentially affect the ability to execute specific activities of the education reform. Under a scenario with lower than expected economic growth, there is a small risk that some activities will not take place. However, given that the country has successfully completed eight reviews of the EFF program with the IMF, the last one in June 2015, and has made notable reforms in key areas, it is expected that the macroeconomic conditions will remain stable and are, therefore, conducive for policy-based lending. It is expected that this risk will not affect meeting the policy conditions given that the reform is well advanced and targets for this operation have already been met.
- 2.5 **Development.** The agreement with the IMF has shifted the focus of GOJ's legislative priorities on the reform that supports it. This has affected education legislative reforms making the education legislations lengthier than planned. However, there are clear indications that education reform legislation is already in the 2015 legislative agenda. Legislation drafting instructions have already been issued, and the policy conditions related to legislation included in the policy matrix for this operation have already been met.
- 2.6 **Public management and governance.** There is a risk that changes in government might discontinue or reverse some of the current initiatives under the reform. However, the MOE is highly committed to the Reform Plan that is now close to completion and has achieved most of its milestones. In the years to come, the GOJ is expected to continue supporting the reform activities. In particular, for the proposed operation all policy conditions have already been met so no risks are foreseen in the sole tranche disbursement.
- 2.7 **Sustainability of the Reform.** The reform originally envisioned and executed during the last 10 years is expected to sustain its activities over time. The MOE is highly committed to the Reform Plan that is now close to completion and has achieved most of its milestones. The team that was originally part of the reform is the same that has accompanied its activities giving stability to it, the same team is expected to stay in place. At the same time, the reform has set an institutional

framework for the delivery of education services that widely accepted among stakeholders and has legislative approval. Furthermore, the improved results on student achievement show that the reform has succeeded in improving the quality of the education. It is expected that the GOJ will continue on the path set forth by the agenda in the years to come finalizing the milestones; including the approval of the legislative framework of the reform (see paragraph 1.45).

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of Implementation Arrangements

- 3.1 As for the first and second operations (Loans 2074/OC-JA and 2300OC-JA (investment component) and 2301/OC-JA (PBL component)), the borrower is the GOJ. The MOE will be the Executing Agency and Ministry of Finance and Planning (MOFP) will act as Program Coordinator, assisted by the PIOJ. The MOE as Executing Agency is responsible for: (i) executing the actions that will lead to the compliance of the policy conditions; and (ii) facilitating MOFP's compilation of the means of verification needed for the sole disbursement as well as the information for the indicators of the results matrix. The MOFP as the Program Coordinator is responsible for: (i) monitoring and coordinating activities to comply with program commitments; (ii) coordinating the submission to the IDB of the required reports to verify compliance with the policy matrix and the indicators of the results matrix that will be used to evaluate the program; (iii) facilitate the financial arrangements; and (iv) liaison with the Bank to manage all official correspondence with regard to this operation.
- 3.2 **Special contractual conditions prior to the disbursement of loan resources.** The disbursement of the only tranche of the loan will be subject to the compliance by the Borrower and to the Bank's satisfaction of the policy conditions set forth in the Policy Matrix (see [Annex II](#)) and in the loan contract.

B. Summary of Arrangements for Monitoring Results

- 3.3 **Summary of monitoring arrangements.** MOFP as the Program Coordinator will be responsible for: (i) monitoring and coordinating activities to comply with program commitments; (ii) coordinating the submission to the IDB of the required reports to verify compliance with the policy matrix; and (iii) coordinating with the MOE the submission of the information on indicators of the results matrix that will be used to evaluate the program. The IDB will be responsible for reviewing the compliance with the policy conditions as well as preparing of the report of compliance with conditions. The main monitoring activities of the operation focus on the preparation and presentation of the means of verification for each policy condition and the preparation of the report of compliance with policy conditions.
- 3.4 **Summary of evaluation arrangements.** In the case of the evaluation, its main objective is to determine the extent to which the interventions and policy reforms supported by the program contributed to the expected results. Given that this is the third and final operation of a Programmatic PBL series and that the three operations supported the education reform, the evaluation proposed will be comprehensive of the three operations. Furthermore, the evaluation will provide key inputs for the Project Completion Report (PCR) that will be produced to assess the program. The Bank will be responsible for executing and financing the evaluation. The methodology to evaluate the results of the program will be

twofold: (1) an ex post cost benefit analysis will be conducted for the main measurable benefits and costs; and (2) a before-after that will compare the value of the main results before the launch of the first operation and the value after completing the third operation. To complement this analysis, a set of interviews will be carried out with key stakeholders to assess unanticipated results, the relevance of the policy implemented and the sustainability of the program and lessons learnt ([EEO#1](#)).

IV. POLICY LETTER

- 4.1 The Bank and the government agreed on the macroeconomic and sector policies set out in the Policy Letter dated August 7, 2015 ([EER#1](#)), which describes the components of the strategy being implemented in the program's areas of action described in this document, and are consistent with the government's Medium-Term Economic Program.

Development Effectiveness Matrix				
Summary				
I. Strategic Alignment				
1. IDB Strategic Development Objectives		Aligned		
Lending Program	-Lending to small and vulnerable countries -Lending for poverty reduction and equity enhancement			
Regional Development Goals	-Share of youth ages 15 to19 who complete ninth grade			
Bank Output Contribution (as defined in Results Framework of IDB-9)	-Teachers trained			
2. Country Strategy Development Objectives		Aligned		
Country Strategy Results Matrix	GN-2694-2	Enhance quality and access to education.		
Country Program Results Matrix		The intervention is not included in the 2015 Operational Program.		
Relevance of this project to country development challenges (If not aligned to country strategy or country program)				
II. Development Outcomes - Evaluability		Evaluable	Weight	Maximum Score
		8.3		10
3. Evidence-based Assessment & Solution		9.6	33.33%	10
3.1 Program Diagnosis		3.0		
3.2 Proposed Interventions or Solutions		3.6		
3.3 Results Matrix Quality		3.0		
4. Ex ante Economic Analysis		10.0	33.33%	10
4.1 The program has an ERR/NPV, a Cost-Effectiveness Analysis or a General Economic Analysis		2.5		
4.2 Identified and Quantified Benefits		2.0		
4.3 Identified and Quantified Costs		2.0		
4.4 Reasonable Assumptions		2.0		
4.5 Sensitivity Analysis		1.5		
5. Monitoring and Evaluation		5.3	33.33%	10
5.1 Monitoring Mechanisms		1.5		
5.2 Evaluation Plan		3.8		
III. Risks & Mitigation Monitoring Matrix				
Overall risks rate = magnitude of risks*likelihood		Low		
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		B.13		
IV. IDB's Role - Additionality				
The project relies on the use of country systems				
Fiduciary (VPC/FMP Criteria)				
Non-Fiduciary	Yes	Monitoring and Evaluation National System.		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:				
Gender Equality				
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				
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				

The program is structured as a Programmatic Policy Based Loan (PBP) with three operations; this is the last operation of the series. The program is aligned with the IDB's Country Strategy with Jamaica and with IDB institutional priorities. The objective of the project is to improve the learning outcomes of Jamaica's students by supporting the modernization of the Ministry of Education, increasing the effectiveness of the delivery of the education services, improving the standards and quality of education, raising the level of teacher's professionalism, enhancing the accountability of the system and improving stakeholder and community involvement in education.

The project document and its annexes provide a clear and complete justification for the intervention. Problems and their causes are identified and discussed. The identified obstacles for better student performance include: (i) governance and management of the education sector; (ii) teacher management; (iii) teacher's curriculum and assessment; and (iv) school infrastructure. The problems identified in the diagnosis that forms the basis for all three operations, performed ten years ago, continue to be pertinent. However, since the start of the education reform, student learning outcomes have shown steady progress. For example, while in 2003 only 63% of 4th grade students' mastered literacy, in 2014 the percentage rose to 77%. In numeracy, the percentage of students mastering the content rose from 38% in 2003 to 58% in 2014. Even though these results cannot be empirically attributed to the program, they are expected to be linked to the reforms carried out in Jamaica, as the evidence for other countries going through same reforms have shown.

The project's potential beneficiaries are clearly identified. The document provides evidence of the effectiveness of the proposed interventions using existing evaluations in other countries. Although the document shows how the main outcome indicators have evolved in tandem with reforms implemented through the series, there is no causal association established or evidence from Jamaica on the effectiveness of similar interventions. The logical framework presented in the document covers inputs, outputs, outcomes and impacts. Outcome indicators include the indicator of the Country Strategy and other students' performance indicators.

The project presents a cost-benefit analysis that underpins the economic viability of the proposed activities. All policy conditions necessary for this operation have already been achieved; all means of verification are guaranteed.

The program proposes to have a cost benefit analysis ex-post and to use a before-and-after approach to demonstrate its results. The proposed evaluation will be comprehensive of the three operations.

**EDUCATION SECTOR REFORM III
(JA-L1033)
POLICY MATRIX**

Objectives	Policy Conditions for the 1 st programmatic loan (2008)	Policy Conditions for the 2 nd programmatic loan (2010)	Policy Conditions for the 3 rd programmatic loan (2015)
1. Maintain a stable macroeconomic framework.	1.1 The policy letter and the macroeconomic framework of the borrower are consistent with the Program objectives.	1.1 Compliance with the guideline set forth in the policy letter and a macroeconomic framework that is consistent with the Program objectives.	1.1 The Borrower shall maintain an appropriate macroeconomic policy framework congruent with the Program's objectives and in accordance with the provisions of the Policy Letter.
Reform Area I. Modernization of the Ministry			
2. A modernized central Ministry of Education (MOE) focused on: policy formulation; monitoring and evaluation; standard setting; and agencies coordination.	<p>2.1 Modernization framework to transform MOE into a policy based organization including:</p> <ul style="list-style-type: none"> (i) Approved organizational structure of a policy MOE containing the staff structure and posts. (ii) Proposed action plan to transform MOE to a policy-based ministry, including HR transition and related Terms of Reference (TOR), staffing, training, and operational arrangements developed. (iii) Indicative Medium Term Financial Plans (MTFP) for MOE, Regional Education Agencies (REAs) and Agencies with financial implications for implementing MOE reforms. (iv) Change Implementation Team (CHIT) established to provide oversight for the implementation of the action plan. 	<p>2.1 Transformed MOE operational according to the Action Plan, including:</p> <ul style="list-style-type: none"> (i) National Education Trust (NET) to support public-private partnerships (PPP) in the education sector in the areas of construction & maintenance and other activities created; Manager for Public Private Relationships recruited. (ii) Pilot of the Jamaica School Administrative Software (JSAS) installed in 500 schools and 400 trained in its use. Action plan for training for remaining 100 schools completed. (iii) Space Audit of schools updated and working Paper for de-shifting secondary schools updated. (iv) Policy drafted to increase compulsory education age from 16 to 18 years. (v) Institutional reengineering process under way for the modernization of the ministry, working together with MOE-HR Department. 	<p>2.1 Blueprint for central MOE and Department Of School Services (DSS) completed and including:</p> <ul style="list-style-type: none"> (i) Functions of the DSS and central MOE defined. Organizational structure developed. Operational manuals for new functional areas developed. (ii) HR division has been modernized, with 3 key positions filled (PMAS director; director of HR, Organizational Development (OD) specialist). Competency framework defining PMAS completed and rollout in progress. (iii) Business plan for 2013-2015 (3 years) and operational plan for 2014/15 completed. (iv) NET: all job descriptions completed and PPP manager recruited. (v) EMIS designed and communications infrastructure in place connecting MOE with its offices island wide. (vi) Rationalization plan completed and 25 schools de-shifted since 2010.

Objectives	Policy Conditions for the 1 st programmatic loan (2008)	Policy Conditions for the 2 nd programmatic loan (2010)	Policy Conditions for the 3 rd programmatic loan (2015)
	2.2 Proposed legislative changes, including changes to the Education Act, required to implement the recommendations of the National Task Force on Education Reform to effect the modernization of MOE.	2.2 Empowered by the Education Act the MOE is in the process of drafting legislation pertaining to School Improvement Act and establishment of JTC, NEI and NET.	2.2 All consultation on Jamaica Teaching Council (JTC) legislation completed, legislation drafted by the Office of the Parliamentary Counsel (OPC) for submission to Parliament. 2.3 Drafting instructions for amendment of Education Act (1960) sent to OPC.
3. More effective delivery of education through the transformation of five new REAs with greater autonomy and with responsibility for providing quality support to schools in their respective region, in line with national education policy.	3.1 Decision by Ministry of Education to transform existing six Regional Education Offices (REOs) into five REAs aligned with parish boundaries providing quality support to schools in their respective regions.	3.1 Number of REAs to be created redefined: increased to 7 REAs from initial 5 REOs. Two regions (Region 1 and 2) actually aligned with Parish boundaries.	3.1 Department of School Services (DSS) operational including: (i) Education regions aligned with Parish boundaries. (ii) 80% of schools complete school improvement plans. (iii) DSS works with 132 at risk schools to include NEI recommendations in school improvement plans. (iv) 63 Quality Education Circles established to support all schools in improving performance.
	3.2 Framework Document to transform existing REOs to new REAs containing: mission and strategic objectives; principles associated with autonomy and better inter-sectoral coordination; process for appointment and responsibilities of Chief Executive Officers; and draft Performance Agreement for CEO which includes service delivery standards.	3.2 Works towards converting 2 REO in REA commenced; Transition plan completed. (i) Administration and supervision of at least 22 schools transferred to the new regions and in effect. (ii) Blueprint of REA operations drafted considering: governance structure, organizational structure, and key functional profiles and job descriptions for 2 REAs. (iii) HR policy completed. HR transition manual drafted. HR information system specification completed. (iv) Transition Plan (including provisions for job fit) 80% completed.	

Objectives	Policy Conditions for the 1 st programmatic loan (2008)	Policy Conditions for the 2 nd programmatic loan (2010)	Policy Conditions for the 3 rd programmatic loan (2015)
<p>4. Improve the standards and quality of the education system at all levels with the creation of the National Education Inspectorate (NEI) to evaluate the education system at all levels, make recommendations for improving the system's effectiveness in delivering education, and disseminate results.</p>	<p>4.1 NEI established on an interim basis as part of the Education Transformation Team (ETT) to evaluate the education system; improve effectiveness in delivering education; and disseminate results. Chief Inspector (CI) appointed.</p> <p>4.2 Framework document prepared for NEI containing role, function, budget, and management structure of the agency.</p> <p>4.3 PA executed between CI and Permanent Secretary (PS).</p>	<p>4.1 Indicators and targets for the NEI accomplished in accordance with commitments expressed in the PA:</p> <ul style="list-style-type: none"> (i) Inspection Framework Document or procedural manual drafted. (ii) Inspectors in post and initially trained, according to the PA. (iii) Pilot test for School Self Evaluation developed by MOE and conducted in 10 schools. (iv) First term school inspection with visits to at least 10 schools completed. 	<p>4.1 NEI operational and including:</p> <ul style="list-style-type: none"> (i) NEI Core staff hired: chief inspector; deputy chief inspector, director of research, and 3 senior inspectors. (ii) First cycle of inspections completed in all schools. (iii) 300 inspectors trained. (iv) Final version of inspection handbook printed. (v) Guidelines for school self-evaluation distributed to all schools. (vi) Inspection of all primary and secondary schools completed (954 schools). (vii) Evaluation of inspection process by the Program Monitoring and Evaluation Unit (PMEU)/MOE completed.

Objectives	Policy Conditions for the 1 st programmatic loan (2008)	Policy Conditions for the 2 nd programmatic loan (2010)	Policy Conditions for the 3 rd programmatic loan (2015)
5. Raise the level of professionalism and quality of teaching with the creation of the Jamaica Teaching Council (JTC).	5.1 JTC established on an interim basis as part of the ETT to define the standards for the profession and provide strategic direction for the in-service teacher training. Head of the agency appointed.	5.1 JTC established independently with core personnel contracted. (i) Corporate Plan 2010/11 for JTC completed with indicators and targets, and key staffing in place. (ii) Functions of TSC transferred to JTC enabling principal appointments and teacher registrations. (iii) Implementation of teacher registration started to assist in managing teacher demand and supply; at least 60% of teachers registered. (iv) FD for licensing completed; licensing scheme designed; Code of Ethics and Standards Requirements drafted. (iv) Data collection process of annual school census completed (instrument to include questions regarding teacher demand by subject areas). (v) Communication strategy and public education program about JTC under way.	5.1 All consultation on JTC legislation completed, legislation drafted by OPC for submission to Parliament. JTC activities include: (i) Standards for teaching profession developed. (ii) Website/platform for teachers operational and 95% of all teachers registered. (iii) Implementation of beginning teachers mentorship program (900 mentors trained). (iv) Teacher licensing regime developed (v) Administration of in-service teacher training program.
	5.2 Framework Document prepared for JTC containing role, function, budget, and management structure of the agency.		
	5.3 PA executed between Head of the Agency and PS.		

Objectives	Policy Conditions for the 1 st programmatic loan (2008)	Policy Conditions for the 2 nd programmatic loan (2010)	Policy Conditions for the 3 rd programmatic loan (2015)
6. Provide an integrated curriculum and assessment framework to meet the needs of the education system to develop & monitor Jamaica's education curriculum and student assessment systems, as well as collect, analyze, and disseminate assessment information.	6.1 Framework documents prepared for the creation of the Curriculum and Assessment Agency (CAA) proposing the role, function, budget, and management structure, including Draft PA for CEO which includes service delivery standards.	6.1 Targets in curriculum and assessments as established in the MOE's Strategic Corporate Plan achieved: (i) Audit of primary curricula in all 5 subject areas for Grades 1-6 completed. (ii) Using CSEC syllabi Grades 10-11 as a guide, the scope and sequence for Grades 7-11 Math and English completed. (iii) Development of integrated science and social studies curricula for Grades 7-11 completed.	6.1 MOE / curriculum division plans including: (i) National standard curriculum (grades 1 to 9) drafted and being piloted. (ii) National Assessment Program (NAP) being revised to align to national standard curriculum (grades 2,6,9). (iii) National school leaving certificate developed.
7. Promote ownership of the transformation process within the Ministry.	7.1 Program of consultations and relevant publications to secure ownership and acceptance within the MOE.	7.1 Program of consultations and relevant publications to secure ownership and acceptance within the MOE.	7.1 Internal MOE staff meetings ongoing to inform about transformation efforts.

Objectives	Policy Conditions for the 1 st programmatic loan (2008)	Policy Conditions for the 2 nd programmatic loan (2010)	Policy Conditions for the 3 rd programmatic loan (2015)
Reform Area II. Curriculum , Teaching and Learning and School Management			
8. Improve quality in primary and secondary education through the implementation of: the National Literacy Strategy (NLS); the National Mathematics Strategy (NMS); and the Lower Secondary Strategy (LSS).	8.1 (i) NLS approved by MOE. (ii) Literacy 1-2-3 implemented in all primary schools. (iv) Support structure provided by ETT to identify and support underperforming primary schools, in place.	8.1 Literacy and numeracy (i) Database to monitor performance in literacy of all primary schools in Grade 4 assessments completed for 2004-2008 and numeracy for 2009; database to contain benchmarks and national targets for literacy and numeracy. (ii) Schools informed about their performance record with regional/national comparisons (Grade 4report). (i) Comprehensive Literacy Strategy for improving literacy performance drafted including accountability matrix and proficiency pathway.	8.1 National Comprehensive Literacy and Numeracy programs fully integrated into the national school curriculum resulting in: (i) Mastery of Grade 4 Literacy Test improves from 67% in 2010 to 77% in 2014. (ii) Mastery of Grade 4 Numeracy Test improves from 41% in 2010 to 58% in 2014.
	8.2 (i)NMS approved by MOE. (ii)At least 244 underperforming schools for targeted interventions identified. (iii)Support structure provided to schools by MOE	8.2 Tests Grade 4 Literacy and Numeracy Tests implemented in all (793) primary level institutions (Grades 1-6); with at least 46,000 primary students registered for the Grade 4 exam.	8.2 Learning needs of children identified and served through Proficiency Pathways (primary) and Alternative Pathways (secondary) including: (i) Identification of children with special needs using Grade 4 literacy results (children scoring 30% and below). (ii) Proficiency Pathway Program for primary level students established and in operation. (iii) Program for the gifted and talented developed (Alternative Program for Exceptional Students- APEX).

Objectives	Policy Conditions for the 1 st programmatic loan (2008)	Policy Conditions for the 2 nd programmatic loan (2010)	Policy Conditions for the 3 rd programmatic loan (2015)
	8.3 Lower Secondary Level Concept Paper (LSCP) completed setting out the purpose and proposed components of the strategy targeting Grades 7 to 9.	8.1 Performance in Grade 4 Literacy Test improves from an average of 63.7% in 2007 to 70.1% in 2009. (vi) New Diagnostic Test for pre-CXC (Grade 9) assessment in Math and English in 28 secondary schools, completed (2009). (vii) Review of transition methodology/assessment from Grade 6 to Grade 7 (GSAT) completed.	
9. Enhanced accountability of the system through appraisal of Principals and Guidance Counselors, and Teachers.	9.1 New instruments to appraise Principals and Guidance Counselors developed and tested.	9.1 Improved instrument to appraise Principals, Guidance Counselors and Teachers evaluated in 75 schools.	9.1 Performance appraisal instruments in use for Principals and Guidance Counselors
	9.2 Review and improved instrument for teacher appraisal to enhance performance management of teachers.		9.2 National College for Educational Leadership (NCEL) using NEI inspections and appraisal reports to target training for Principals in under performing schools.
			9.3 JTC using NEI inspection reports to focus in-service training in collaboration with the DSS.
10. Improve quality of teaching by supporting continuing education for teachers.	10.1 Creation of teachers' Revolving Loan Fund to support teachers in attaining graduate status.	10.1 Government continues to replenish Revolving Fund according to demand (JA\$45 million in 2009 vs. JA\$100 million in 2008). 10.2 Trained Teachers with Bachelor degrees increased from 30% in 2006/07 to 34. 2% in 2008/09.	10.1 Policy decision requiring all teachers to have a BA degree. Percentage of teachers with BA degree increase from 43% in 2010 to 62% in 2014. 10.2 UWI provides quality assurance and certifies teacher training BA degree programs.

Objectives	Policy Conditions for the 1 st programmatic loan (2008)	Policy Conditions for the 2 nd programmatic loan (2010)	Policy Conditions for the 3 rd programmatic loan (2015)
Reform Area III. Relationship with communities and stakeholders and Behavior Modification			
11. Improve stakeholder and community involvement in education.	11.1 Creation of a National Parent Teacher Association (NPTA) to raise parental awareness and involvement.	11.1 Creation of National Parenting Policy, and Parenting Support Commission.	11.1 National Parenting Policy legislation approved.
	11.2 Plan of a Community Consultations Program (CCP).	11.2 Provision of MOE support for the annual conference of the NPTA and other parenting activities in the regions.	11.2 National Parenting Policy in place including: (i) National Parenting Support Commission (NPSC) established and operational. (ii) Parent mentors trained by the NPSC to reach out to parents in the community.
	11.3 Community consultation on education reform in collaboration with the Social Development Commission undertaken in two regions.	11.3 Stakeholder meeting in literacy in all 6 regions and school security and safety in 4 regions.	11.3 Newsletter "Transformation News" distributed twice a year to all staff and schools; and "The Educator" distributed monthly to all staff. Weekly radio broadcast and monthly TV show on the Education System Transformation Program (ESTP).
12. Behavior management Strategy.		12.1 Manual for school security and safety completed and distributed and being implemented in all secondary schools.	12.1 School Wide Program for Behavior Intervention and Support (SWPBIS) implemented and reaching all schools.
		12.2 Having abolished corporal punishment and in an effort to deal with maladapted behavior in schools, MOE has developed strategies for alternative methods of discipline including: Strategy on alternate behavior management; the citizenship education program, and a value- based curriculum guide.	

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/15

Jamaica. Loan ____/OC-JA to Jamaica
Support for Education Sector Reform III

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with Jamaica, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a program of support for education sector reform III. Such financing will be for the amount of up to US\$25,000,000 from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on _____)

LEG/SGO/JA/IDBDOCS#39776247
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