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CARIBBEAN DEVELOPMENT BANK



EXECUTIVE SUMMARY WITH MANAGEMENT RESPONSE

PROJECT COMPLETION VALIDATION REPORT

**ENHANCEMENT OF TECHNICAL AND VOCATIONAL EDUCATION
AND TRAINING - BELIZE**

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OFFICE OF INDEPENDENT EVALUATION

OCTOBER 2012

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EXECUTIVE SUMMARY

1. BASIC DATA SHEET

Loan No.:	13/SFR-OR-BZE
Board Paper:	BD 86/00 and BD 86/00 Add. 1
Borrower:	Government of Belize (GOBZ)
Executing Agency (EA):	Ministry of Education and Sports (MOES)

<u>Loan and Disbursement Details (USD'000)</u>	<u>Original</u>	<u>Additional</u>	<u>Total</u>
Loan Amount:	13,079	2,990	16,069
Disbursed:	13,079	2,990	16,090 ¹
Cancelled :	-	-	-

Date of Loan Approval:	2000-10-12	2002-10-10
Date of Loan Agreement:	2001-01-09	2003-01-30
Date Conditions Precedent Satisfied:	2001-05-09	2003-03-21

	<u>Appraisal Estimate</u>	<u>Actual</u>	<u>Variance (months)</u>
Date of First Disbursement:	2001-09-30	2003-05-20	19
Date of Final Disbursement:	2003-12-31	2008-06-30	54

<u>Project Cost and Financing (USD'000)</u>			<u>Variance (\$)</u>
Total Project Cost - Revised	21,143	23,825	2,681
Caribbean Development Bank (CDB) Loan	16,069	16,090	-
Borrower's contribution	5,080	7,761	2,681

<u>Implementation of Project</u>		
Commencement of implementation	2000-04-03	2001-03-01
Completion of implementation	2003-12-19	2009-06-30
Implementation period (months)	32	99

Economic Rate of Return - Original	15% (social rate): 39% (private)
- Project Completion Report (PCR)	negative (-3%) social rate

¹ The difference of approximately USD22,000 between the loan amount approved and the amount disbursed is attributable to an exchange rate re-conversion.

2. PROJECT DESCRIPTION

2.01 During 1999, MOES in Belize commissioned several studies involving the primary, secondary and Technical and Vocational Education and Training (TVET) sub-sectors. These studies informed the development of the Belize Education Sector Strategy 1999-2003. The study of the TVET sub-sector identified the need to develop a more effective system to ensure that it provided occupational competencies which were suitable and relevant to the local labour market and would better serve the needs of business and industry; facilitate and support the introduction of new and emerging technologies; and act as a catalyst for attracting new investments. There was also need for a system capable of addressing the requirements of diverse populations, including existing members of the labour force, who needed to update their skills; secondary school graduates preparing for the job market; and candidates from non-formal, pre-vocational programmes who needed to better themselves to enter the job market.

2.02 In October 2000, CDB's Board of Directors (BOD) approved a loan to GOBZ of 13.079 million (mn) United States dollars (USD) to assist with financing the implementation of a project aimed at enhancing TVET. On October 10, 2002, BOD approved an Additional Loan to GOBZ of USD2.99 mn to assist with financing activities associated with construction and the acquisition of equipment, furniture and fixtures and to meet contingency and finance charges. The original and revised total project cost was USD20.315 mn and USD21.143 mn, respectively. The actual total project cost was estimated in the PCR at USD23.825 mn. A Project Coordination Unit (PCU) was established within MOES to implement the project.

2.03 At appraisal, the major risks to achieving the expected outcomes were declining support from employers within the productive sectors; lower levels of student intake; poor implementation performance by GOBZ; the government's capacity to sustain required budgetary contribution to meet operating cost; and economic downturn leading to fewer employment opportunities.

PROJECT OBJECTIVES OR EXPECTED OUTCOMES

2.04 The specific objective of the project was to enhance the quality and capacity of the TVET sub-sector in Belize to satisfy the skilled manpower needs, at the intermediate level, of the various contributing economic sectors; and to increase access to TVET by a wider cross section of the population.

EVALUATION OF PERFORMANCE AND OVERALL ASSESSMENT

Overall Assessment

2.05 The PCR rated the overall performance of the project as *Marginally Unsatisfactory* based on the results of separate ratings for Relevance; Effectiveness; Efficiency; and Sustainability. The Evaluator rates the overall performance as *Marginally Unsatisfactory*.

Relevance

2.06 The PCR rated relevance as *Highly Satisfactory*. The project was consistent with GOBZ's focus on the development of human resources in Belize; and CDB's strategic objective of promoting broad-based economic growth and inclusive social development. The project was also expected to have a significant contribution to poverty reduction given the links between improvements in education and training and poverty reduction. With respect to the poverty relevance aspect of this criterion, performance is rated satisfactory only since student enrolment in CETs has been significantly lower than projected. The Evaluator, however, rates overall relevance as *Highly Satisfactory* as the project is still relevant to the needs

of the country and continues to address the need for skilled workers, albeit at a slower rate than projected at appraisal.

Effectiveness

2.07 The PCR rated effectiveness as *Unsatisfactory*. In terms of actual results achieved at completion, the project had achieved an annual output of 308 [22 per cent (%)] of the planned 1,393 diploma graduates and 267 (31%) of the planned 850 graduates of seminars and customised courses; 4 of the 5 planned Centres for Employment Training (CET) had been constructed; 2 CETs were upgraded as planned; the equipment required for training delivery had been acquired and installed as planned; and a substantial amount of the planned training and curriculum development was completed even though some key activities were not completed as a result of the shortage of counterpart funds. The Evaluator rates this criterion as *Marginally Unsatisfactory* because the development objectives were partially achieved.

Efficiency

2.08 The PCR rated this criterion as *Unsatisfactory*. Due to the significant variance between the planned and actual number of diploma and customised course graduates, the Economic Rate of Return at completion was determined to be negative for the social rate (-3%), compared to 15% at appraisal; and there was an estimated cost overrun of approximately BZD5.36 mn (USD2.68 mn), which is approximately 13% above the revised appraisal estimate. The Evaluator also rates efficiency as *Unsatisfactory*.

Sustainability

2.09 The PCR rated the sustainability of the project as *Satisfactory*. In terms of risks, the PCR noted that CETs are not likely to have access to the funding required to adequately cover maintenance and other operating costs; the less than projected levels of student enrolment; the poor public image of TVET; GOBZ's financial constraints; the inability to appropriately articulate CET programmes with secondary school programmes and labour market requirements; and the absence of a mechanism to move students from pre-vocational programmes into the institutes.

2.10 The Evaluator noted that a CDB financed intervention was planned to address some of the aforementioned risks to sustainability. The Evaluator, however, rates the sustainability criterion as *Marginally Unsatisfactory* as there is no certainty that GOBZ will be able to meet the operational and other costs of the CETs and there is no evidence that employers within the productive sectors will provide the level of support for the CETs.

Performance of the Borrower and Executing Agency

2.11 The PCR rated Borrower/Implementing Agency performance as *Satisfactory*. The PCR noted the delays in establishing the PCU; a lack of focus on results; failure to implement activities critical to achieving planned outcomes; turnover among, and the capacity of, PCU staff; and periods of inadequate oversight of the PCU and/or the overall project. The PCR also notes that, despite the delays experienced in the early stage of project implementation, the Borrower demonstrated its commitment to the project by subsequently assigning and managing the performance of a very competent Project Coordinator who was instrumental in the satisfactory completion of the project. Based on the aforementioned, the Evaluator rates the performance of the Borrower and the EA as *Marginally Unsatisfactory*.

Performance of CDB

2.12 The PCR rated CDB’s performance as *Satisfactory* as the Borrower was satisfied with the technical and project management support and guidance provided by CDB staff. Effective monitoring by CDB resulted in adequate resourcing of the PCU and the selection of appropriate sites for the CETs. It was however, noted that the project implementation plan may have been too ambitious; the projected student intake into the CETs was unrealistic; and the approved project budget did not provide resources for monitoring and evaluation activities. There is also no record of CDB conducting the planned mid-term review of the project; and CDB failed to closely monitor the provision of information on the investment costs of the project and, in particular, counterpart financing. The Evaluator rates the performance of CDB as *Satisfactory*

TABLE 1: SUMMARY RATINGS OF CORE EVALUATION CRITERIA AND OVERALL ASSESSMENT OF PROJECT

Criteria	PCR		OIE Review		Reason, if any, for Disagreement/Comments
	Score	Rating	Score	Rating	
Relevance	4	Highly Satisfactory	4	Highly Satisfactory	Poverty relevance aspect was satisfactory only due to student enrolment in CETs being significantly lower than projected.
Effectiveness	1	Unsatisfactory	2	Marginally Unsatisfactory	The developmental objectives are expected to be partially achieved.
Efficiency	1	Unsatisfactory	1	Unsatisfactory	
Sustainability	3	Satisfactory	2	Marginally Unsatisfactory	GOBZ’s fiscal constraints may impair its ability to meet the operational and other costs of the CETs.
Overall Assessment	2.25	Marginally Unsatisfactory	2.25	Marginally Unsatisfactory	The project meets some but not all of its key goals and targets.
Borrower and EA Performance		Satisfactory		Marginally Unsatisfactory	Significant delays; reduced counterpart contribution; and initial weak project management.
CDB Performance		Satisfactory		Satisfactory	

LESSONS

2.13 The PCR has identified the following lessons learnt:

- (a) CDB should ensure orientation of new personnel when there are changes in critical project management staff;

- (b) most of the risks identified at appraisal affected implementation performance. CDB must therefore ensure that risks and assumptions are closely monitored during the implementation phase;
- (c) monitoring and evaluation (M&E) must be an integral component of the project; and M&E arrangements should include a report template;
- (d) curricula and assessment frameworks for TVET programmes at the higher levels within the qualification system must be developed so that institutions can readily offer certified programmes at various levels. In that regard, a National Qualifications Framework to guide the development, classification and certification of skills within the TVET system must be established; and
- (e) continuous appropriate pedagogical training of instructors is required if instructors are to continue to develop competence to deliver appropriate programmes.

2.14 The Evaluator considers the above lessons cited in the PCR to be very important, in particular items (c) and (d) above. In addition, the Evaluator identifies the following lessons learned:

- (a) where a Borrower has weak project management capacity, CDB needs to compensate with closer project supervision;
- (b) with respect to M&E, CDB should consider developing a comprehensive database on key monitoring indicators which can guide the development of results frameworks. CDB and Borrowing Member Countries (BMCs) also need to adopt a more structured approach to M&E and must include the cost of M&E in the project budget;
- (c) in addition to curriculum development, there is also need for increased focus on pedagogical training of instructors;
- (d) CDB needs to ensure that the project design is based on reliable estimates of the human and financial resources required to realise and sustain the benefits of the project;
- (e) mid-term reviews should be undertaken to both inform stakeholders during project implementation and assess the likelihood of projects being successfully completed;
- (f) the project budget should cover M&E activities; and
- (g) CDB must supervise the implementation of all project activities including activities that are not funded by CDB resources.

PCR QUALITY

2.15 The Evaluator rated the quality of the PCR as *Satisfactory* as the PCR provided detailed information on project design and implementation; identified lessons learned; and recommended follow-up actions.

RECOMMENDATIONS FOR FOLLOW-UP

2.16 No follow-up for the Office of Independent Evaluation is required. The Evaluator does not consider that a Project Performance Audit Report would provide significantly more information or identify other lessons to be learnt than contained in the PCR.

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1.01 There is generally congruence between the PCR and the Validation Report, except in two areas - the rating of the Poverty Relevance criterion, and the rigour with which project costs were scrutinised.

1.02 In relation to the rating of the Poverty Relevance sub-component of the Relevance criterion, the PCR team rated performance as highly satisfactory while the rating in the validation report was satisfactory. The validation report posited that since student enrolment has been significantly lower than projected, there would not be full realisation of the benefits that could be generated. The PCR team was of the opinion that given the critical importance of skills development to employability and hence poverty reduction, the project was still highly relevant. GOBZ has placed a renewed focus on TVET and is in the process of further defining and rationalising the offerings at the secondary level to place more emphasis on technical and vocational skills. (Paper BD 53/12 -Technical Assistance Loan – Education Sector Reform – Belize).

1.03 In relation to the scrutiny with which project finances were examined, the PCR Team was unable to verify the information provided on the counterpart contribution by the GOBZ. Incomplete GOBZ records and the lack of institutional knowledge, given the closure of the project and the absence of key project staff, posed a significant constraint to ascertaining the true cost of GOBZ's contribution. The PCR Team agrees that more emphasis must be placed on ensuring that BMCs maintain complete accounting records of their expenditure. Implementation support is being provided to enhance capacity in that regard.

1.04 Both the PCR Team and the evaluators, however, agreed that there were some valuable lessons learned from the project that would assist the Bank in maximising the impact of its interventions in BMCs.

1.05 The evaluators were also concerned that the non-achievement of the enrolment targets was a threat to sustainability. The PCR Team acknowledges that this is an issue of concern but pointed to a number of factors which would have influenced this, as well as future interventions planned to address it. Inhibiting factors were:

- (a) the enrolment targets may have been ambitious given the 3% enrolment rate in post-secondary and tertiary education at the time;
- (b) the absence of a structure at the secondary level to expand participation in TVET, hence the absence of the needed throughput to make the institutes viable;
- (c) the negative perception of TVET; and
- (d) the non-implementation of the public awareness campaign to sensitise the public to the value of TVET.

1.06 Working with the Ministry of Education in Belize, under the Education Sector Reform Project (Paper BD 53/12), the Bank is supporting interventions to ensure that the outcomes envisaged for the project can still be achieved, albeit belatedly. These include:

- (a) the identification and legislation of a core curriculum, including TVET, and the establishment of a Centre of Excellence structure to increase participation at the secondary level and to provide the throughput required for increasing enrolment for TVET;

- (b) strengthening of the regulatory framework for education. One aspect will address compliance with the requirements of the core curriculum;
- (c) establishment of a National Qualifications Framework to articulate the equivalencies between TVET and other certifications;
- (d) the implementation of a public awareness campaign to sensitise the public about the value of TVET and how it is weighted against other programmes; and
- (e) the development of a national human resource development strategy to assess the trends and needs in the labour market, to articulate the highlighted requirements with curriculum development and offerings in TVET, and to inform secondary school graduates of the skills in demand for sustainable employment.

1.07 Separately, as well as jointly, these interventions should significantly alter the environment in which the institutes operate and increase the demand for TVET programming. This should not only see achievement of the enrolment targets, but should also lead to exceeding of them.