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Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 24-Mar-2020 | Report No: PIDC28790



BASIC INFORMATION

A. Basic Project Data

Country Marshall Islands	Project ID P171924	Parent Project ID (if any)	Project Name RMI Education and Skills Strengthening Project (P171924)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date Aug 05, 2020	Estimated Board Date Dec 02, 2020	Practice Area (Lead) Education
Financing Instrument Investment Project Financing	Borrower(s) The Republic of the Marshall Islands	Implementing Agency Ministry of Education	

Proposed Development Objective(s)

To increase access to and quality of technical and vocational education and training (TVET) opportunities and improve labor market outcomes for Marshallese beneficiaries in RMI and abroad.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	10.00
Total Financing	10.00
of which IBRD/IDA	10.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	10.00
IDA Grant	10.00

Environmental and Social Risk Classification
Moderate

Concept Review Decision
Track II-The review did authorize the preparation to continue



Other Decision (as needed)

B. Introduction and Context

Country Context

1. **The Republic of the Marshall Islands (RMI) is one of the world's smallest, most isolated, and vulnerable nations.** The country consists of 29 atolls and five individual islands (24 out of these 34 atolls and islands are inhabited). It covers an area of 1.9 million square km (around the size of Mexico) but has just 181 square km in land area (around the size of Washington, DC). The population was estimated at 58,413 in 2018¹ of which around 28,000 (53 percent) reside in Majuro (the country's capital) and 10,000 (18 percent) in Ebeye, the two largest urban centers. Its low elevation makes the country highly vulnerable to natural and climate related disasters threatening the physical viability of some areas of the main and more remote outer islands (OI).

2. **From the country's small size and remoteness ensues high costs of economic activity making it difficult to achieve economies of scale, constraining the competitiveness of exports, and complicating the provision of public services.** The fishing sector is the main source of revenue, representing 18 percent of GDP in 2017, while infrastructure development, public administration and education were the main drivers. Most foodstuffs (excluding local foods, such as fish, coconuts and some fruits), fuel, building materials, clothing and manufactured products are imported, while exports are limited to fish and copra products (both raw and after some basic processing). The nation is thus highly exposed to fluctuations in international food and fuel prices. Economic growth was about 3.5 percent in 2017 but is predicted to slow down to about 1.5 percent over the medium term.² Economic management in the RMI is further complicated by the thin capacity typical of public sectors in very small states, with a small number of qualified public servants called upon to implement the many tasks of a central government.

3. **The RMI's relationship with the United States (U.S.) underpins the nation's fiscal framework.** Following its independence in 1986, the country entered into a Compact of Free Association (CFA) with the U.S., whereby the U.S. provides yearly financial transfers to the RMI, access to a range of U.S. Federal Government services and programs, and open migration to the U.S. for RMI citizens, in exchange for permission to retain permanent defense forces in, and exclusive access to, the RMI's sovereign territory (among other arrangements). This includes the lease of Kawjalein and Roi-Namur islands by the U.S. military as testing sites (ballistic missile and missile-interceptor, and space operations support). A series of Compact Sector Grants (CSGs) were created to support economic development (particularly for investment in infrastructure, education and health)³ and the Compact Trust Fund (CTF) was established to replace the CSGs when they are scheduled to expire in 2023.⁴ However, current projections indicate that the corpus will not be sufficiently large to generate an annual income stream that can fully replace the expiring grants. This presents a key

¹ World Development Indicators (2018)

² IMF, 2018 Article IV Report

³ An amended CFA became effective on May 1, 2004, providing approximately US\$37 million in grants per year through the Compact Sector Grants (CSGs).

⁴ While the CSGs and access to some U.S. Federal Government programs and services that are covered under the financial chapter of the amended Compact are scheduled to expire in FY2023, the amended Compact itself will not expire, meaning that open migration and other aspects of the agreement will continue.



challenge to the country's fiscal sustainability and the GoRMI's capacity to maintain and expand access to and the quality of public services, especially those delivered to the poor.

4. **The prevalence of 'hardship' is amongst the highest in the region.** Hardship is experienced by 51 percent of the population in the RMI compared to 20 to 30 percent of the population which lives across most Pacific Island Countries (PICs).⁵ Migration from the outer islands to the urban centers of Majuro and Ebeye intensified over the past 30 years primarily due to a lack of employment opportunities in other locations and greater reliance on the cash economy as compared to a subsistence lifestyle. Inequality between populations in the urban centers and the outer islands is exacerbated by high transport costs and limited access and poor quality of public goods and services in remote areas, while increased crowding and lack of access to land in Ebeye and Majuro has also increased inequality within the urban centers. Informal safety nets are weakening as increased urbanization and aid dependence have undermined traditional customs and values and are not being replaced by formal safety nets or government support for the poor.

5. **High rates of out-migration made possible by RMI's special relationship with the U.S. strongly influence labor market outcomes.** A combination of limited economic and employment opportunities in RMI and migration access to the U.S. has resulted in significant outmigration as Marshallese citizens seek better jobs and educational opportunities abroad, mainly in Hawaii, the U.S. mainland (especially Arkansas and Washington state) and Guam. Between FY03 and FY13, the number of Marshallese that emigrated to the US numbered 7,228, equivalent to 13.9 percent of RMI's total population over the period.⁶ Employers face challenges to recruit and retain Marshallese workers, particularly unskilled workers, because the possibility of migration (and remittances) results in a high reservation wage.

Sectoral and Institutional Context

6. **The current MOE structure presents some coordination challenges for the education sector, with autonomous and semi-autonomous agencies operating outside of a departmental structure and reporting directly to the minister.** The six agencies that comprise MOE are (a) Public School System (PSS), (b) Teacher Standard and Licensing Board; (c) Marshall Islands Scholarship, Grant, and Loan Board, (d) National Training Council (NTC), (e) College of the Marshall Islands (CMI), and (f) University of the South Pacific (USP). PSS manages pre-primary, elementary, and secondary education delivered through public schools and transfers subsidies to private schools. NTC is the agency responsible for technical and vocational education and training (TVET) policy, planning and research, coordination, and regulation. Its work is structured around three key areas: (a) funding and coordination of TVET and livelihood types of training; (b) facilitation of employment preparation programs (for job seekers) through internships and training programs abroad such as job corps;⁷ and (c) management of two employment centers, one in Majuro and one in Ebeye, which aim to connect job-seekers with employers and training/work-related opportunities. The Scholarships Board offers education scholarships and loans to Marshallese citizen to pursue tertiary education abroad and in RMI. Scholarships are conditional on performance and returning to RMI for work after graduation.⁸ Scholars who return to RMI are eligible for some support in finding employment (they are referred to the public service commission (PSC), put on lists shared with the private sectors, or accompanied to potential employers' offices).

⁵ The last Household Income and Expenditure Survey in the RMI was carried out in 2002, limiting the extent to which trends in poverty and other quality-of-life indicators can be accurately examined. The term 'hardship' relates specifically to national poverty measures. Incidence of 'hardship' is defined as the proportion of the population whose expenditure is below a threshold that includes an allowance for minimum food and non-food needs.

⁶ US Graduate School (2018).

⁷ Job corps is a US run training institution in Hawaii offering 2-years TVET courses targeting 18-25 years old high school graduate.

⁸ It requires to maintain a GPA of 2.5 or higher and one year of scholarship equals one year of service. From latest cohort (2018 and 2017), 67% and 86% of students having completed their program came back.



7. **Education in RMI is compulsory for all children between 5 and 18 years old and the sector is structured into four levels.** Kindergarten exists in all public elementary schools but access to early childhood education (ECE) is limited.⁹ Both public and private schools deliver elementary and secondary education.¹⁰ A new language education policy was approved in 2015 and stipulates that English and Marshallese (or Kajin Aelōñ Kein) should be used as teaching languages in a bilingual arrangement.¹¹ In-country tertiary education options are limited, with the two tertiary institutions, the CMI and USP, both accredited by the U.S.-based Western Association of Schools and Colleges (WASC), offering only a narrow range of subject areas so that many tertiary-level subject areas can only be pursued by Marshallese students migrating overseas.¹²

8. **Technical and vocational education and training (TVET) options are both limited and fragmented.** Secondary-level TVET programs are offered as electives in the five public secondary schools. Courses include information and technology, book keeping and accounting, clothing and textiles, food and nutrition, auto mechanics, education (teaching academy), and health (nursing academy). Students undertaking these courses are offered, to the extent possible, the opportunity to do short practicum with local firms. USP's current technical offerings are focused in the areas of early childhood development, library, office management and accounting, etc. CMI offers technical, vocational, and workforce development training and upskilling paid by employers but its sole accredited vocational course is carpentry. Example of workforce development and upskilling includes "advanced accounting" for civil servants and customer service training for employees in the private sector. Other training providers (governmental and non-governmental) also offer vocational and technical training in niche areas.¹³ There is considerable fragmentation across all these offerings, with little strategic direction or coordination evident in the sector. Pathways for students are often absent, with vocational courses in secondary school not linked to courses taught by CMI or USP. Linkages with the labor market needs are weak with offerings at CMI and USP determined at the institutional level with minimal strategic direction from GoRMI or the private sector (a task made difficult by the absence of data on labor market outcomes or skills gaps in the economy).

9. **Funding for education in RMI totals more than \$31 million (2018) and comes from three main sources, namely the General Fund, Compact Funds, and US Supplemental Education Grants (SEG).** The General Fund (35% in 2019) refers to the locally generated domestic revenues collected by the government and allocated to the MOE as part of the standard procedures of revenue appropriation and public expenditure.¹⁴ Compact Sector Grant (CSGs; 34% in 2019) are those received under the CFA. Supplemental Education Grants (17% in 2019) are separate Federal Grant Programs benefiting the MOE.¹⁵ The programmed expiration of the CSGs and the SEGs in FY2023¹⁶ calls into question the long-term sustainability of service delivery in the education sector. It is not yet clear which U.S. Federal Government grants and

⁹ Only private schools currently offer ECE programs and only consistently on the major islands of Majuro and Ebeye. Less than half of the children eligible are actually enrolled in ECE programs nationwide.

¹⁰ There are 95 elementary schools (80 public; 15 private) that employ 840 teachers and serve 10,185 students and 17 secondary schools (6 public; 11 private) employing 249 teachers and serving 3,013 students.

¹¹ According to that policy, Kajin Aelōñ Kein is the medium of learning at 100 percent in grades k-6th grade. It is also taught throughout secondary grades levels and used approximately 50% of the time in instruction with English as a language of instruction being introduced progressively. English is taught as a subject at all grade levels.

¹² Tertiary full and part-time enrollment in 2018 of 1,248 students. USP delivers certificates, diplomas and degrees within three faculties: Arts, law and education, business and economics, science, technology and environment. It has a faculty of about 25 staff and enrolled 196 students in 2018. CMI delivers certificates, associate degrees, and bachelor degrees. It has a faculty of about 50 staff, mostly expats, and an enrollment of 1052 students in 2018. Most CMI students are enrolled in liberal arts (46%), education (20%), nursing (20%), and business (8%).

¹³ For example, Waan Aelon in Majel (WAM) is a non-governmental organization with 20 years of experience offering vocational training courses targeting out-of-school children and youth between 8 and 18 years.

¹⁴ The PSS Act 2013 provides the legislative framework for the creation of the Education Fund, which is designed to finance all education-related expenditure in the RMI. At present, however, only General Fund is channeled through the Education Fund. On the one hand, it is argued that this provides greater autonomy for the PSS and can lead to greater efficiency. On the other hand, it could lead to greater fragmentation of the budget process, and limit contestability and transparency.

¹⁵ RMI digest 2018. <https://drive.google.com/file/d/1pOiUyLUiQaTQwwKSPe06gk-QtvNaSnfk/view>

¹⁶ The fiscal year starts on October 1 and end on September 30. The school year starts in August and ends in May-June.



programs will be available post-FY2023, but there is consensus that total available funding for education will be less than current levels. Requirements of CSGs, SEGs and U.S. Federal Government grants and programs dictate spending to a large degree, both in a function sense and in terms of the level of education.

10. **While access and participation in elementary education is generally high, this drops considerably at secondary level and poor academic performance in elementary and secondary schools, especially the public ones, is a main concern.** In 2018, net enrolment rates (NER) were 33% for early childhood education, 76% for elementary, 42% for secondary, and 5% for TVET. These rates have not improved over the past 20 years, and in fact may have regressed. RMI conducts yearly national learning assessment in grades 3, 6, 8, 10 and 12 using the Marshall Islands Standards Assessment Test (MISAT) in mathematics, Marshallese, English, and science.¹⁷ Results are benchmarked against expected outcomes and presented in terms of proficiency scores. Results generally indicate low learning outcomes at all levels. Proficiency scores are below 45% in all years, all grades, and all subjects with relatively worse performance in science, math, and English which means that most students do not meet the minimum national standards.¹⁸ Boys, students in outer islands schools, and students in public schools performs worse than their counterparts (girls, students in schools on Majuro or Ebeye, and students in private schools).

11. **The poor quality of education at both elementary and secondary school levels impacts post-secondary studies and employment outcomes.** Around 30 percent of students (in 2018) entering secondary schools are enrolled in pre-grade 9 classes because it is recognized that they do not meet the minimum requirement to enter grade 9. A similar phenomenon is observed at the post-secondary level. A majority of students seeking to study at both CMI and USP are required to undertake foundational level (also called developmental) courses in order to upgrade their skills and be allowed to enroll in credit level courses. In 2019, CMI required more than 80 percent (83 percent in English and 86 percent in Math) of the students having taken the placement test to enroll in developmental English and math classes. The existence of these classes indicates fundamental quality issues, and these have important consequences. Enrollment in developmental courses extend the duration of the program and these students often use up their Pell grant (from the U.S. Government)¹⁹ early and are unable to complete their studies as a result. Employers commonly complain about a lack of foundational and soft skills among job-seekers. Employers having participated in preparation workshops so far indicated that poor basic numeracy skills, problem solving skills, and emotional skills (particularly relating to conflict management) are all areas where there is scope for significant improvement.

12. **There are important equity and efficiency issues related to education for children and youth from outer islands.** At the primary level, comparing MISAT scores of students in outer islands schools with those studying on Majuro and Kwajalein (Ebeye) shows students from outer island schools being outperformed in all grades. Difference in quality is said to be influenced by multi-grade classes being taught by poorly prepared teachers and high teacher absenteeism. Secondary education is only offered on a few islands (Majuro, Kwajalein, Jaluit, and Wotje) which means that outer islands students must relocate and cover the substantial costs involved (transport, food, accommodation) to pursue post-primary studies. These students often stay with relatives in conditions that are relatively precarious and not adequate for studying (poor nutrition and sleep; little space to study; need to continuously relocate to not overstay their welcome, etc.). There are some indications that this leads to higher drop-outs and lower learning outcomes. There is also anecdotal evidence of

¹⁷ There is not assessment of vocational skills.

¹⁸ Proficiency scores are the percent of objectives that students have mastered per grade level. This definition does not allow for comparison with the international learning poverty, defined as the percentage of students at age 10 who cannot read fluently and with comprehension. RMI also participates in the Pacific Islands Literacy and Numeracy Assessment (PILNA). Country-level scores were recently obtained and further analysis will be carried out during preparation.

¹⁹ A Pell Grant is a subsidy the U.S. federal government provides for students who need it to pay for college. Federal Pell Grants are limited to students with financial need, who have not earned their first bachelor's degree, or who are enrolled in certain post-baccalaureate programs, through participating institutions.



migration across outer islands, based on the relative reputations of schools across islands, suggesting that families are willing to incur substantial costs to seeks quality education.

13. **Improving the quality of education would require efforts to address both the institutional objectives of the education system, as well as the quality of service delivery.** Awareness of this need is already emerging, with the PSS currently leading a revision to the Education Sector Plan. At the secondary school level, the current version of the plan proposes the implementation of a multi-track education system that would provide dedicated pathways for students to pursue further studies in the following tracks: (i) academic (leading to college); (ii) vocational (including military); and (iii) island skills. As part of the vocational track, given the important presence of the US military in RMI, the plan also proposes that MOE prepare young people interested in joining the US military to take and pass the Armed Services Vocational Aptitude Battery (ASVAB). At the postsecondary level, the plan’s goal is to improve Learning and Achievement of students enrolled in CMI and USP or in other training financed by NTC. Improving education quality under this new model would require complementary efforts to strengthen the capacity of key education institutions to perform their required roles, such as the PSS (to effectively monitor and evaluate school and classroom performance, and link this to decision making) and NTC (to coordinate vocational training offerings at the secondary and tertiary levels with skills needs of the economy).

14. **Better linking skills development with employment opportunities would be important if RMI is to address the dual problem of high formal sector unemployment (especially among youth) and skills gaps.** RMI’s labor market is dominated by the public sector, with the private sector employing approximately one-third of the workforce (Table 1). Private sector employment is primarily in wholesale and retail trade (1,965 workers), transport, storage and communications (728), construction (659), and fisheries (696). The labor market is currently unable to provide sufficient numbers of workers with the appropriate skills, experience, and personal traits and attitudes required by the private and public sectors. As a result, businesses and governmental agencies look abroad for semi-skilled and skilled workers, with much of the labor demanded by the Marshalllese economy imported from Asia (predominantly the Philippines, mainland China and Taiwan, China) and the Pacific (Fiji). This is especially evident in areas requiring trade skills and vocational training. Since September 2016, 953 foreign workers have been employed in the country. Foreign workers comprise 6.6% of the private sector labor force, where most are employed in semi-skilled occupations, and 14.9% of the public sector, where most are employed in skilled positions (67% as health and medical professionals). Use of foreign workers is also prominent in the civil personnel working on the Kwajalein U.S. military base where most of the semi-skilled and skilled workers are expatriates.

Table 1. Employment by industry, both full-time and part-time (FY2017)

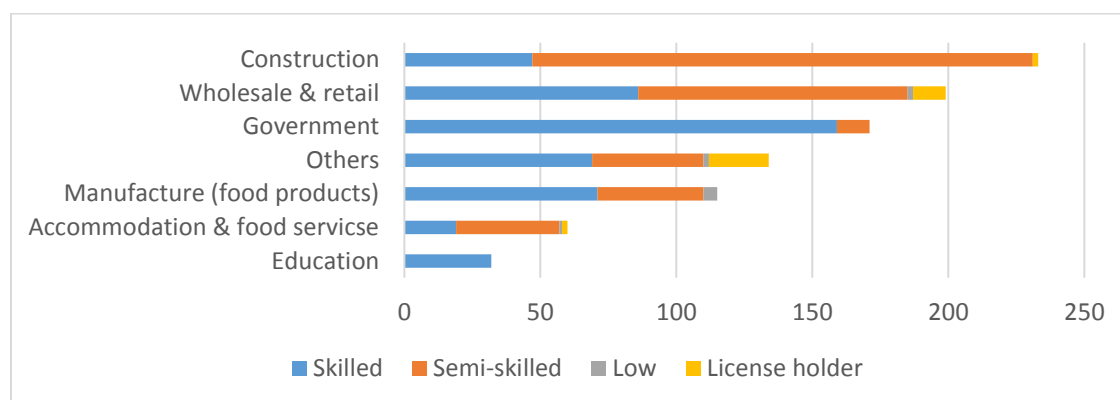
Industry	Employment
Private Sector	4,127
Public Enterprise	939
Banks	223
RMI Government	2,491
Government Agencies	722
Local Government	1,108
NGO's and Non-Profits	415
Foreign Embassies	46
Kwajalein US Base	996
Total	11,066

Source: The Pacific and Virgin Islands Training Initiatives (PITI-VITI)



15. **Within the private sector, skills gaps appear most acute in the construction, wholesale and retail trade, and food manufacture industries.** Construction, wholesale and retail businesses account for the largest number of semi-skilled foreigners, whereas wholesale, retail and food manufacture are industries where skilled workers are most demanded, just after the public sector (Figure 1). Approximately 33% of foreign workers employed by the private sector are craft and related trade workers (Table 2).

Figure 1: Number of foreign workers by industrial sector and skill level



Source: Calculated by World Bank staff based on work permits and public service commission data

Table 2: Number of foreign workers by ISCO sector

Skill level	ISCO sector	Private sector	Public sector	Total
Skilled	Managers	11.1%	10.5%	11.0%
	Professionals	20.7%	70.9%	29.8%
	Technicians & associate professionals	9.6%	11.0%	9.9%
Semi-skilled	Clerical support workers	1.4%	0.6%	1.3%
	Services and sales workers	13.4%	1.7%	11.3%
	Craft & related trade workers	32.8%	4.1%	27.6%
	Plant and machine operators and assemblers	3.7%	0.6%	3.1%
Low	Elementary occupations	1.3%	0.0%	1.0%
N/A	FIBL holder	4.9%	0.0%	4.0%
	Unclassifiable*	1.0%	0.6%	0.9%

16. **Despite reliance on foreign workers, engagement in formal sector employment in RMI remains limited, particularly among youth.** Estimates from the International Labour Organization (ILO) suggest that the percentage of men between 20 and 24 years of age who are not engaged in productive activities (defined as “paid or unpaid activity that contributes to their personal livelihood or that of their family and community as a whole”) is as high as 44 percent in the Marshall Islands.²⁰ Given the abovementioned skills gaps in the RMI economy, there appear to be opportunities to improve outcomes for Marshallese by addressing skills gaps in the economy, both through improvements to the quality of skills training and by strengthening linkages between TVET system and labor market demand.

17. **NTC has an important role to play in these areas.** As the agency responsible for TVET policy, planning and research, coordination, and regulation, it is the role of NTC to ensure that training meets the skills needs of the economy.

²⁰ ILO (2013)



NTC directly funds some TVET training using revenue it collects from foreign work permits. It also manages the national employment center (of which there are two, one in Majuro, one in Ebeye), which connects job-seekers with employment opportunities, and helps to prepare job-seekers for work through referrals to internship and training opportunities. Unfortunately, NTC lacks the capacity to undertake these functions effectively. In its Strategic Plan (2019-21), the NTC Board concluded that “NTC does not have sufficient capacity - either human or financial - to effectively carry out all of its assigned functions”.

18. **There is also scope to provide more support to Marshallese who intend to migrate.** Migration is clearly economically beneficial for migrants, with salaries in the U.S. far higher than those in RMI for equivalent occupations (the median household income for Marshallese in the U.S. is \$33,600, compared to \$6,467 in RMI). Migrants also send remittances home, although available evidence suggests this does not occur to anywhere near the same extent as in Polynesia. One likely reason for this is the fact that Marshallese migrants fare poorly when compared to other migrant groups in the U.S. (notwithstanding earning more in the U.S. than in RMI). Almost half of all RMI citizens residing in Hawaii live below the poverty line. Median household income for Marshallese is just 60 percent of the U.S. national figure. Limited educational attainment among Marshallese migrants is likely to be a key reason for such disparities. Just 4 percent of Marshallese migrants over the age of 25 in the U.S. have a college degree, which is considerably lower than other migrant groups. This suggests both weaknesses in RMI’s education system and a lack of focus on migrant needs in the U.S. labor market. In a context where significant emigration to the U.S. is likely to continue, the Project can play a role in supporting better outcomes for migrants through its focus on foundational skills, vocational training, and job relevant soft skills.

19. **There are a few other key development partners-supported initiatives in the sector.** The multisectoral (health-education-social protection) early childhood development project financed by the World Bank (P166800; US\$ 13 million) seeks to promote universal coverage of multisectoral ECD services by: (i) supporting the government to expand public sector delivery of essential ECD services; (ii) providing targeted support to increase coverage and intervention intensity of these services for vulnerable early years families; and (iii) strengthening the public sector systems necessary to institutionalize and sustain a multisectoral ECD program. The Improving the Quality of Basic Education (IQBE; US\$7.5 million) project financed by the Asian Development Bank has an objective which is well aligned with the Bank learning poverty target namely to increase the MISAT scores by 50% at the elementary level. It intends to do so by delivering four outputs: (a) higher quality of teaching through the development of pedagogical and national professional frameworks and delivery of in-service training; (b) better formative assessment formative; (c) more locally relevant and bilingual material and resources; and (c) leadership training, mentoring, and certification.

Relationship to CPF

20. **The Project is closely aligned with the World Bank’s twin goals of ending extreme poverty and boosting shared prosperity.** The Project’s focus on skills development and improving the labor market relevance of training would assist businesses in RMI to address longstanding human resource challenges which have driven many businesses to recruit overseas (at some additional cost). At the same time, the Project would help alleviate poverty by improving employment and educational outcomes for Marshallese, with a particular focus on Marshallese who do not pursue academic pathways and for whom employment outcomes are particularly poor.

21. **The Regional Partnership Framework (RPF) for FY17-FY21, which was discussed by the Board of Directors in February 2017, covers nine small Pacific Island Countries (PIC9)²¹, including RMI.** The RPF identifies four areas of focus for these PIC9 as: (1) fully exploiting the available economic opportunities; (2) enhancing access to employment

²¹ Kiribati, Republic of Nauru, RMI, Federated States of Micronesia, Republic of Palau, Independent State of Samoa, Kingdom of Tonga, Tuvalu and Vanuatu.



opportunities; (3) protecting incomes and livelihoods; and, (4) strengthening the enablers of growth and opportunities (macro-economic management, infrastructure and addressing knowledge gaps). The Project would support the second focus area, specifically objectives 2.1) Broadened opportunities for access to labor markets, and objective 2.2) Addressing education and skills gaps.

C. Proposed Development Objective(s)

22. The project development objective (PDO) is to increase access to and quality of technical and vocational education and training (TVET) opportunities and improve labor market outcomes for Marshallese beneficiaries in RMI and abroad.

Key Results (From PCN)

23. Progress would be measured against the following PDO-level results indicators:

Table 2: Project development objectives and indicators

Objectives	Indicators
Increase access to and quality of vocational and technical education and training (TVET) opportunities	1. Increased MISAT scores in English, Marshallese and Mathematics of high school students, disaggregated by gender and origins 2. Increased enrolment in and successful completion of TVET programs and courses that are aligned with identified labor market needs, disaggregated by gender and origins
Improve labor market outcomes for Marshallese beneficiaries in RMI and abroad	3. Increased employment rates of Marshallese who have benefited from the employment services of the National Training Council and who have graduated from TVET courses/pathways established under the Project

D. Concept Description

24. The Project components would be structured around four components.

Component 1: Improving the level of foundational skills acquired at the secondary level and the completion of students from outer islands (USD2 million)

25. **This component would support the improvement of the quality of education delivered in all high schools with special focus on improving the acquisition of foundational skills.** This component would aim to increase the number of students who are proficient in mathematics, Marshallese and English according to the MISAT and the placement test in post-secondary institutions. To do so, this component would support a revamping of secondary education which may include changes their curriculum, methodology, teacher and student relationship paradigms, and remedial strategies (including the pre-grade 9 year) as well as strengthening of the leadership. This component would cut across streams to ensure that all students acquire the minimum foundational skills in high schools. Students falling behind would be identified on a more continuous basis and remedial instruction would likely include the use of adaptative/computer-based learning strategies that allow students to move at their own speed and catch up on basic concepts that were not integrated in earlier grades with the support of teachers playing the role of the facilitators (flipped classroom approach), pairing of struggling students with peers, after-school and summer school programs, etc.

26. **Moreover, to alleviate the particular constraints faced by students from the outer islands, the component would directly support these students so they can successfully complete secondary education and post-secondary TVET programs and courses.** The nature of the support remains to be confirmed. For secondary-level students, it would most



likely be accommodation support (dormitories, or payments to host families) or related services (food, water, etc.) for the use of students from outer islands attending a public secondary school. It could also take the form of grants to families that host students to encourage them to provide better or more stable accommodation. For post-secondary level students enrolled in TVET programs and courses, it would most likely be subsidized tuition fees and other costs (transport, accommodation, supplies) channeled through NTC and could also include a need-based scholarship for students enrolling abroad (e.g. Job corps).

27. **Support through this component would likely involve:** technical assistance and operational expenses to review and develop curriculum, assessment, tools, guidelines, and training material; contract teachers and/or bonus for teachers accepting to work extra hours and deliver summer school; the delivery of teacher and head teacher training and coaching/mentoring and communication campaigns; equipment such as computers; civil works (dormitories) and financing of services or supplies; subsidies for or cash transfer to outer island students.

Component 2: Strengthening and expanding access to technical and vocational skills development (USD5 million)

28. **This component would support the expansion of the offering of TVET programs and courses at the secondary level and post-secondary level and increasing demand for TVET disciplines in younger students.** The objective is therefore to provide students at this level with education opportunities beyond academic ones. At the preschool and elementary levels, this component would support the development and delivery of activities in the classroom aiming to increase awareness of TVET disciplines at an early age. It would support science, technology, engineering and mathematics (STEM) age-relevant curriculum and classroom activities and the initiation of students to a diversity of skills and future work opportunities at all levels. For example, this could include the use of manipulatives such as blocks, simple science experiments, as well as show and tell presentations from parents to provide students with the opportunities to learn about the diversity of career paths available, covering both academic and technical fields. At the secondary school level, the component would support the implementation of the vocational stream described under the new education sector plan. At the post-secondary level, the component would finance the delivery of TVET programs or courses and the introduction of a subsidized internship program for graduates. TVET providers would develop extensive proposals for delivery of training that are aligned with labor market needs as identified under component 3 which would be submitted for potential funding. Training institutions would be responsible for managing content development, trainers, certification processes and would receive a grant from NTC to do this. Needed civil works and large equipment would be presented as part of the grant request proposal but implementation arrangements for the civil works remains to be determined. The subsidized internship program for graduates would build on NTC's existing internship program. Internships would be supported as part of the Project with the goal of assisting graduates to both gain industry-relevant work experience and secure paid work. An enhanced internship program would subsidize the wages of graduates in order to provide employers with an incentive to take on those who have yet to gain work experience. The subsidized element of graduates' wages would decline over time as their productivity increases, with employers expected to cover an increasing share of graduates' wages over time.

29. **In addition to being aligned with labor needs, the expanded offering of TVET education opportunities at the secondary and post-secondary level would be structured to ensure effective pathways for TVET graduates.** Effective pathways' means that those with TVET qualifications should have a full opportunity to benefit from further, postsecondary and higher education i.e. they should face no unreasonable hindrances if they wish to do so. To facilitate these transitions between secondary, post-secondary and tertiary education consideration would be given to embed in the design flexible admission procedures and guidance, credit accumulation and transfer, bridging programmes and equivalency schemes that are recognized and accredited, etc. Furthermore, education providers receiving grants for TVET would be required to demonstrate that effective pathways would exist for students of the proposed program, both within their institutions and



beyond. The existence of pathways also requires that students across the various streams at secondary level reach minimum standards in foundational skills (Marshallese, English, Math). Establishing effective pathways would require ongoing coordination in the education sector and input from the private sector.

30. **Finally, support for career counselling for students enrolled in both secondary and post-secondary education would be provided.** Currently, most high schools as well as CMI and USP have in-house counsellors among their staff. However, they often lack specialized training and tools. The component would therefore support the development and delivery of training for these counselors as well as the use of ICT-based tools for career guidance including skills profiling, career recommendations matched to skills, and identification of skill gaps to prioritize learning goals towards career aspirations. Better individual career counselling services would encourage students to think about employment opportunities from an early age and as they progress through their studies. At the secondary level, career counselor would support orientation of students into the academic or vocational streams. Career counselling would be informed by employment opportunities and educational pathways that are available in RMI. Training for counsellors could be implemented using coaching strategies and peer support by building a network of career counsellors across the different institutions and deploying master counselors with NTC.

31. **Support through this component would likely involve:** technical assistance to design of STEM activities, framework for effective pathways, career counselling training, develop curriculum and teaching material of new TVET courses; the delivery of teacher training; construction or renovation of facilities and the procurement and maintenance of equipment in high schools; service contract to use web-based career guidance tool; grants to training providers; and subsidies for interns.

Component 3: Strengthening the institutions for workforce development and the civil service (USD2 million)

32. **To strengthen workforce planning, skills recognition and employment services, the project would support expansion and improvement of the role and services offered by the NTC.** First, the component would help to *address skills mismatches through support for regular collection and analysis of data* that contributes to an improved understanding of employer demand (jobs available or expected) and skills gaps in the Marshallese economy. Data would be collected from across government (e.g., work permit data) and the private sector (e.g., job advertisements) and analyzed by a special unit within NTC, with key findings shared publicly. This information would be used to inform the allocation of training budgets (e.g., NTC) and scholarships (e.g., the Scholarships Board). Second, NTC would be supported in its establishment of *recognition of prior learning (RPL)*. The establishment of a skills and qualifications framework, which is already underway, may also be supported by the Project if this is useful), with the goal being to assist workers who have skills learned on the job gain recognition of their qualifications. Third, *NTC's employment center functions would be enhanced and expanded to better support job seekers*. This would include support for career counselling / job coaching that outlined in component 2, intensive job coaching and referral services would be provided to job-seekers who lack necessary foundational skills or work experience. As part of this support, the physical infrastructure, staff, and services offered by NTC's two facilities (one in Majuro, one in Ebeye) would be upgraded, and links to employers and education providers strengthened. Services would also be provided to those that intend to migrate, with the provision of pre-departure training and US-focused employment services (with links to employment centers in certain areas of the U.S).

33. **Support through this component would likely involve:** technical assistance to develop and roll-out a jobs data collection and analysis mechanism; costs (accreditation, assessment, etc.) associated with RPL; civil works to upgrade NTC's two facilities (one in Majuro, one in Ebeye); contractual staff for NTC; computer, office furniture, and supplies.

Component 4. Project Implementation Support (USD1 million)



34. **This component would finance Project support staff to complement the capacity currently available in the MOE, especially within PSS and NTC.** The exact structure of this support would be confirmed during Project preparation and appraisal, but is expected to include (i) one overall project manager, most likely reporting directly to the Minister and being responsible for the overall management of the Project; and (ii) two project coordinators embedded in the two focal agencies – the National Training Council and the Public School System – who would be responsible to support and coordinate the implementation of the set of activities falling under the responsibility of the two agencies. Within NTC and PSS, the project managers would be MOE staff already working in the agencies. Their work programs would be revised to ensure enough space to do the work. Other aspects of Project administration (procurement, financial management, audit, communications and safeguards) would be supported by the Central Implementation Unit (CIU) in the Division of International Development Assistance (DIDA), which has been established within the Ministry of Finance and which currently provides support to all World Bank-financed operations in RMI.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

Note to Task Teams: This summary section is downloaded from the PCN data sheet and is editable. It should match the text provided by E&S specialist. If it is revised after the initial download the task team must manually update the summary in this section. *Please delete this note when finalizing the document.*

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