PUBLIC
SIMULTANEOUS DISCLOSURE

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

SURINAME

SECOND BASIC EDUCATION IMPROVEMENT PROGRAM (2ND BEIP)
PHASE II
(SU-L1038)

MEMORANDUM OF EVALUATION OF PHASE I
(SU-L1019)
AND
LOAN PROPOSAL FOR PHASE II
(SU-L1038)

LOAN PROPOSAL

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ELECTRONIC LINKS

REQUIRED

1. Pluriannual Execution Plan (PEP)
2. Monitoring and Evaluation Arrangements
3. Environmental and Social Management Report (ESMR)
4. Procurement Plan

OPTIONAL

1. Analysis of Project Cost and Economic Viability
2. Midterm evaluation
3. Evaluation of Phase I and verification of fulfillment of targets
4. Detailed budget
6. Evidence-based Curriculum in Suriname
7. Information, Communications and Technology Policy
8. Assessment of infrastructure needs in the interior
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BEIP</td>
<td>Basic Education Improvement Program</td>
</tr>
<tr>
<td>CENASU</td>
<td>Center for Continuing Education (for its acronym in Dutch)</td>
</tr>
<tr>
<td>GLO 6</td>
<td>National Exam at the end of Primary Education (for its acronym in Dutch)</td>
</tr>
<tr>
<td>EEO</td>
<td>Optional Electronic Link (for its acronym in Spanish)</td>
</tr>
<tr>
<td>EER</td>
<td>Required Electronic Link (for its acronym in Spanish)</td>
</tr>
<tr>
<td>ESMP</td>
<td>Environmental and Social Management Plan</td>
</tr>
<tr>
<td>GOS</td>
<td>Government of Suriname</td>
</tr>
<tr>
<td>ICT</td>
<td>Information, Communications and Technology</td>
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<tr>
<td>IDB</td>
<td>Inter-American Development Bank</td>
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<tr>
<td>MOESC</td>
<td>Ministry of Education, Science and Culture</td>
</tr>
<tr>
<td>NPV</td>
<td>Net Present Value</td>
</tr>
<tr>
<td>POD</td>
<td>Proposal for Operation Development</td>
</tr>
<tr>
<td>PMU</td>
<td>Program Management Unit</td>
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</tbody>
</table>
**PROJECT SUMMARY**
**SURINAME**
**SECOND BASIC EDUCATION IMPROVEMENT PROGRAM (2**nd** BEIP) - PHASE II**
(SU-L1038)

<table>
<thead>
<tr>
<th>Financial Terms and Conditions</th>
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<tbody>
<tr>
<td><strong>Borrower:</strong> Republic of Suriname</td>
</tr>
<tr>
<td><strong>Executing Agency:</strong> Ministry of Education, Science and Culture (MOESC)</td>
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</table>

<table>
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<tr>
<th>Source</th>
<th>Amount (US$)</th>
<th>%</th>
<th>Flexible Financing Facility(^{(a)})</th>
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<tr>
<td>IDB (OC)(^{(c)})</td>
<td>20,000,000</td>
<td>100</td>
<td>Amortization Period: 25 years</td>
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<tr>
<td></td>
<td></td>
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<td>Original WAL: 15.25 years</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Disbursement Period: 5 years</td>
</tr>
<tr>
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<td>Grace Period: 5.5 years</td>
</tr>
</tbody>
</table>

**Supervision and Inspection Fee:** \(^{(b)} \)
**Interest rate:** Libor
**Credit Fee:** \(^{(b)} \)
**Currency of Approval:** US dollars chargeable to the Ordinary Capital (OC)

**Project at a Glance**

**Project Objective/Description:** The proposed program is the second phase of a multiphase operation that aims at increasing learning outcomes of all primary school students and improving the internal efficiency of the education system. The first phase (2742/OC-SU) focused on developing the curriculum of primary education for students from grade 3 to 6, and improving access to preschool and primary education in the interior. This second phase will continue developing the curriculum of the last two years of primary education (grades 7 and 8), improving access to better schools and teachers in the interior, and building capacity within the Ministry of Education, Science and Culture (MOESC).

**Special Contractual Conditions prior to the first disbursement:** (i) Approval of the Program Execution Plan, the Operations Manual and the Procurement Plan, in accordance with the terms and conditions previously agreed upon between the Executing Agency and the Bank; and (ii) evidence that the key personnel of the Program Management Unit (PMU), including the program manager and the procurement and financial officers are appointed, in accordance with the terms of references previously agreed upon between the Executing Agency and the Bank (¶3.5).

**Exceptions to Bank Policies:** None

<table>
<thead>
<tr>
<th>The project qualifies for(^{(d)}):</th>
<th>SV</th>
<th>PE</th>
<th>CC</th>
<th>CI</th>
</tr>
</thead>
</table>

\(^{(a)}\) 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.

\(^{(c)}\) Pursuant to Document AB-2990, the disbursement of Bank resources (OC) will be subject to the following maximum limits: (i) up to 15% during the first 12 months; (ii) up to 30% during the first 24 months; and (iii) up to 50% during the first 36 months. All these periods will be counted from the time the Loan operation is approved by the Board of Executive Directors (¶2.2).

\(^{(d)}\) 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 Suriname’s education system has made relevant progress in terms of access to education and is close to achieving the Millennium Development Goal of universalizing primary schooling. Currently, 95.4% of children of primary school age are enrolled in primary or secondary school, compared to 78% in 1999.\(^1\) Additionally, Suriname invests 5% of Gross Domestic Product in education, which represents one of the highest national public spending of the region. In terms of progress to improve education quality, in 2006 the Government of Suriname (GOS) initiated a curriculum reform with support from the Inter-American Development Bank (IDB) to raise student learning. This reform has already covered grades 3, 4, 5 and 6, will expand to grades 7 and 8 in 2016-17, and thereafter to secondary education.\(^2\) These actions show a robust commitment of the country and its national authorities towards the education sector.

1.2 In spite of progress made, serious challenges still remain in terms of access to preschool and secondary education. Only 25% of three year olds attend early childhood development programs, increasing to 46% among four year olds\(^3\) and reaching 76% among five year olds.\(^4\) Access to preschool still is not universal. In secondary education, dropout rates are very high, reaching 15% on average per grade, and as a consequence graduation from this level is very low.\(^5\) Only 59% of secondary aged youth is attending secondary school in any of the different streams (academic, technical and vocational). Of the remaining 41%, some are out of school (15%) and others attend primary school (26%) with higher chances of dropping out for being overage at the time of entering secondary education.\(^6\) Across gender, there are no significant gaps in terms of attainment. These figures signal high inefficiencies across the entire education system. In 2013, only 33% of students who entered primary education (grade 3) completed it on time (finished grade 8 in 6 years).\(^7\)

1.3 In addition to the challenges associated with access, education quality remains a problem: student learning is low, unequal and inadequate. Results of the 2014 national exam at the end of primary education (GLO 6) show that only 24% of the students had satisfactory grades in Math and 62% did so in Language. The combined results of the GLO 6 are taken into consideration for enrollment in the various streams of secondary education. Currently, 50% of students who finish primary education achieve the required grades to pursue further academic studies and show that only 50% of the students have grades high enough to pursue the academic stream. The remaining 50% may only access technical and vocational schools at the secondary level.\(^8\) Student learning is also highly

\(^1\) UNICEF. MICS 2000 and UNICEF. MICS 2010.
\(^2\) The Surinamese education system is comprised of 12 grades and three main levels: preprimary, including grades 1 and 2; primary, including grades 3-8, which are compulsory; and secondary, from grades 9 to 12.
\(^3\) In Suriname the official (formal) preschool starts at the age of four.
\(^4\) UNICEF. MICS 2010.
\(^5\) MOESC Education Statistics 2015.
\(^6\) UNICEF MICS 2010.
\(^7\) MOESC Education Statistics 2015.
\(^8\) The final score to enter the different tracks is given by the Bureau of Examinations based on a combined metric of the results of the tests of language and math as well as an assessment from the teacher.
unequal. Students in the main urban areas - Paramaribo- had higher percentages of satisfactory grades than those in the interior rural areas of the country - Brokopondo and Sipaliwini. While 27% and 67% of children in Paramaribo achieved satisfactory grades in Math and Language respectively, only 15% and 37% of the children in the interior districts of Brokopondo and Sipaliwini did so.

1.4 Student learning is also inadequate for succeeding in the labor market. A survey of private Surinamese firms shows that 30% of the firms highlight an inadequately educated workforce as the number one obstacle for doing business. Indeed, the disconnection between job creation and skills supply is illustrated by a paradox of the current economy in Suriname - unemployment exists alongside skills shortages and unfilled positions in enterprises. High dropout rates from secondary education and high youth unemployment rates also suggest that skills acquired in school do not match those demanded by the labor market. On average, 15% of students drop out of secondary education in each grade.\(^9\) Furthermore close to 22% of youth are currently unemployed.\(^10\) Gender differences are also troubling: although women have higher education attainment, only 45% of women aged 15-64 years old participate in the labor force compared to 74% of their male peers.\(^11\)

1.5 The Sector Framework Document of Education and Early Childhood Development presents the Dimensions of Success, which are five characteristics shared by top-performing education systems worldwide to promote student learning for all the children and youth. These include:\(^12\) (1) high student learning goals guide the delivery and monitoring of education services at all levels; (2) new students enter school ready to learn; (3) all students have access to effective teachers; (4) all schools have adequate resources and are able to use them for learning; and (5) all children and young people acquire the skills necessary to be productive and contribute to society. Aligned with this framework, Suriname’s challenges to increase access and education quality stem from four main causes: within Dimension 1 and 3: (i) an outdated curriculum for primary and secondary education and lack of teachers trained in the new curriculum; and (ii) low management capacity within the MOESC to monitor and support schools; within Dimensions 3 and 4: (iii) lack of access to adequate schools and qualified teachers in remote areas; and within Dimension 5: (iv) a tracking system that relies on a single exam at the end of primary with restricted interconnectivity among the different tracks impeding students to move from one track to another at a very early age.

1.6 Outdated curriculum. The last curriculum reform in Suriname took place in the 1970s making the current curriculum outdated and not relevant for today’s learning needs.\(^13\) With support from the IDB, the MOESC has carried out a system-wide reform that entailed the development of learning standards and a curriculum at the preschool and primary levels, the distribution of textbooks and teacher guides to schools, and the provision of teacher training and coaching in the new methods. The curriculum reform began in 2006 and has gradually

\(^9\) Suriname School Drop Out Assessment.
\(^10\) World Development Indicators.
\(^11\) World Development Indicators.
\(^12\) Sector Framework Document of Education and Early Childhood Development.
\(^13\) SLO (2011).
covered preschool grades 1 and 2 and primary grades 3, 4, 5 and 6, the remaining grades of primary education (7 and 8) will be part of the proposed loan proposal. As the curriculum gets updated, all teachers and principals need to be trained in the new methodology. In addition, the learning assessments are outdated as they are aligned with the old curriculum, and therefore the new curriculum should be accompanied by a revision of the assessment framework. Finally, as the midterm evaluation of Phase I reveals, there is resistance from parents, teachers and principals as well as MOESC’s staff to the new curriculum as they are faced with an unknown method. The social marketing campaign that is part of the program seeks to inform all stakeholders and gain buy-in for the reform.

1.7 In 2014, the MOESC developed and adopted an Information, Communications and Technology (ICT) Policy (EEO#7) with clear guidelines on how the use of technology can complement the delivery of the curriculum. A diagnostic that accompanied the policy revealed that: (i) 48% of schools had access to computers, and only a few of the schools surveyed were using the computers in the classroom (4 out of 200); (ii) only 7% of the schools in Suriname have access to any form of digital content or educational software; and (iii) competencies of teachers in ICT are low (the schools rated the average competencies of their teachers in ICT skills as low as 4.75 out of 10). The implementation of this ICT policy requires the development of electronic content that is aligned with the new curriculum and teacher training for the use of technology in the classrooms to be delivered in any technological infrastructure in place in the country, as well as the strengthening of the ICT unit within the MOESC to coordinate these efforts.

1.8 In service teacher training is provided by the Centre for Continuing Education in Suriname (CENASU). This Centre has no headquarters to carry out its daily operations and, as a result, lacks the adequate facilities for its trainers to lead regular training session for all the teachers currently working in the system.

1.9 Low management capacity within the MOESC. The MOESC exhibits low management capacity in key units within the ministry: National Inspectorate, Research and Planning, Curriculum Development, Technical Department, and ICT Unit. A Capacity Assessment performed in 2014 shows that these units are understaffed and require training and equipment to perform their activities more efficiently. According to the assessment, the Inspectorate has only 37 staff members who have the mandate to serve 355 public primary schools and their 6,000 teachers nationwide. The Research and Planning unit employs 14 people with serious deficiencies in equipment to perform their functions: the unit lacks adequate funding to buy computers to collect and analyze data and they don’t even have enough chairs for all of them to sit at the same time. The Technical Department, responsible for the maintenance of school facilities across the country (nearly 800 buildings and sites) and it’s staffed with 3550 employees. In this case, the assessment identifies that some of them have not been trained in their functions and how to follow maintenance processes in nearly 10 years. The ICT unit within the MOESC was recently created and its director was

14 The curriculum reform is executed gradually, covering each year one grade from grade 1 to 6.
15 Education for All Report 2010-2013.
17 Idem.
appointed, but it has no staff and no equipment available to start working on the implementation of the ICT Strategy. These challenges translate into limited capacity of the MOESC to manage the delivery of school services and provide support to schools, principals and teachers, particularly to those in the interior.

1.10 **Lack of access to adequate schools and qualified teachers in remote areas.** Many schools in the interior, both public and private, have been inadequately maintained and/or are overcrowded. Schools often do not have adequate access to water and electricity and lack sanitary systems. In the eastern districts of Brokopondo and Sipaliwini, 18 79.4% of primary schools don’t have access to electricity, and 8.8% don’t have a toilet at all. Furthermore, many students in these regions have to walk long distances or use canoes to attend school; 29.4% of the schools are only reachable by boat.19 At the same time, there is a need for adequate teacher housing to attract more qualified teachers in these remote regions. These two regions have fewer classrooms and teachers than the rest of Suriname: the student-teacher ratio is 19:1 and 22:1 compared to 16:1 nationwide (EEO#8). The interventions of this program will aim at reducing dropout further justifying more classrooms in existing schools in the interior. Beyond these general assessments of school infrastructure needs, a detailed study of the availability and status of the facilities is needed to make informed decisions on school construction.

1.11 Remoteness also impacts the supply of qualified teachers in the interior. As of 2010, approximately 30% of the teachers working in the interior were not qualified to teach in the coastal areas and, moreover, 5% of them had not even finalized primary education.20 Although coastal teachers receive monetary incentives to move to the interior to teach, fully qualified teachers believe these are not enough to compensate for the compromises they have to make to teach in rural areas; especially because housing is not adequate.21 In this sense, there is need to guarantee that teachers in the interior are provided with adequate housing close to the schools as an added incentive to work in the remote areas of the interior.

1.12 **Tracking system in secondary education with restricted interconnectivity among the different tracks.** Suriname has an early tracking system in secondary education that relies on a single exam at the end of primary that occurs at an early age and provides limited opportunities for students to move across tracks. At the end of primary education, students complete the GLO 6 exam: those who have passing grades (approximately 50% of all test takers) have the option of enrolling in the academic junior secondary education; the remaining 50% can only opt for technical and vocational secondary education. Only those students in the academic track are able to continue further studies as part of the tertiary education system. As the empirical literature suggests, early tracking increases education inequality and also reduces average performance.22 Also, the benefits of tracking students at an early age to technical/vocational training appears to be extremely limited given the high

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18 These districts are highly isolated from the coastal areas. Few roads exist to reach the communities that live in these areas and access is mostly possible by water transportation means.
mismatch between offered skills and the needs of local employers (¶1.4). Data on student school trajectories in secondary education is scarce in Suriname. More efforts should be made to collect and analyze data at this level to enable a proper diagnosis.

1.13 **Government's priorities.** The Draft Education Sector Plan 2010-2014 establishes the main priorities for the education sector in Suriname. Given the authorities’ continuity in the government after the elections in 2015, it is expected that the priorities of the Sector Plan continue throughout the project’s execution. This Plan establishes strategies for a more effective, efficient and equitable education system with high quality standards, in order to develop internationally competitive skills among Surinamese children and youth. Aligned with this plan, the MOESC embarked in a reform of the education system that includes a curriculum update, the use of ICT to deliver the curriculum, the construction of new schools and expansion of existing ones (especially in the interior), and the improvement of the internal capacity of the MOESC to manage the system. The MOESC also prioritized the construction of the CENASU building to ensure that it has adequate facilities to provide trainings to teachers and principals.

1.14 **Program strategy.** Given the challenges facing the education system in Suriname described above (¶1.5) and aligned with the government’s priorities, the Bank supports the country in increasing learning outcomes of all students and improving the internal efficiency of the education system with the support of a multiphase program. The multiphase program included the redesign of the curriculum for primary education under Phase I and junior secondary education in Phase II, as well as improving access to schools in the interior under both phases. The first phase developed the curriculum for grades 3 to 6 and improved access to preschool and primary education in the interior. To better align the support of the Bank to the pace of the curriculum reform, the redesign of the last two grades of primary (7 and 8) originally planned for Phase I was deferred to Phase II, and the curriculum redesign of junior secondary is now deferred to a future operation already under discussion with the GoS (¶1.22). In this sense, the proposed second phase operation focuses on developing the curriculum of the last two grades of primary education (7 and 8) and sets the stage for the reform of junior secondary education by advancing on a strategy and on the curriculum framework at this level; as well as improving access to better schools and teachers in the interior.

1.15 The interventions that are part of this multiphase program have been proven to be effective in other countries. Top-performing education systems have put in place high standards to guide education policy-making and teaching practices. These standards are aligned with an adequate student-centered curriculum, teacher training (both in-service and pre-service), and student learning evaluations. Curriculum reforms have been accompanied by communication activities that seek to inform all stakeholders of the reforms and secure its proper implementation. In the case of Suriname, the curriculum redesign has taken into account these best practices by aligning standards, curriculum redesign and teacher training. These top performing education systems have also placed mechanisms to ensure that there is adequate student data to inform teaching and learning.

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25 How the world’s best-performing school systems come out on top.
policy. Such data are geared towards identifying improvement needs in the system and to target support to those schools that need it the most.\textsuperscript{26,27} Also important, 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.\textsuperscript{28}

1.16 Regarding the use of technology to deliver the curriculum, successful countries have aligned the content to be delivered with technology, with teacher training and appropriate technological infrastructure.\textsuperscript{29} Top-performing education systems also align the curriculum with the content of textbooks that teachers and students use in class. This is particularly relevant for Suriname for two reasons: (i) increased access to books is a resource that has been strongly linked to student learning,\textsuperscript{30} and (ii) widely disseminated textbooks can also be an effective tool to portray both women and men in non-stereotypical gender roles and, thus promote gender equality from the education system.\textsuperscript{31} The proposed intervention will ensure that textbooks are gender sensitive and that they present women in more active roles in the labor market and society.

1.17 Regarding the tracking system, existing literature suggests that exposing students to a general curriculum can improve their academic abilities and that delayed vocational streaming raises student learning outcomes. For instance, the vocational tracking system reform in Poland that developed a new core curriculum and postponed one year the decision on the type of upper secondary education –academic or vocational–, increased student performance in international assessments.\textsuperscript{32} Another study of the tracking system in Romania\textsuperscript{33} found that early tracking increases educational inequality and that postponing it can increase university attendance among disadvantaged students.\textsuperscript{34} Additionally, tracking children at young ages has been associated with dropout rates and low student achievement, especially among students coming from vulnerable backgrounds.\textsuperscript{35}

1.18 Finally, given the precarious conditions of school infrastructure in the interior, the proposed interventions aim at providing adequate school facilities, which are necessary to ensure that children can attend class and learn.\textsuperscript{36} The literature suggests a positive relationship between student learning and the presence of school facilities such as libraries, science labs, and computer rooms, as well as with access to public services (electricity, water, and internet).\textsuperscript{37} Additionally, the proposed program takes into account the importance of offering adequate teacher housing to help attract effective teachers to work in the interior with

\textsuperscript{26} Darling-Hammond, L. & Wentworth, L. 2010.
\textsuperscript{27} Hruskovec, Katherina 2014.
\textsuperscript{28} Engaging parents and stakeholders in school wellness.
\textsuperscript{29} Arias Ortiz, E. and J. Christia. 2014.
\textsuperscript{30} Harbison and Hanushek, 1992; Glewwe, Humpage, Humpage, and Ravina, 2011.
\textsuperscript{31} Covachevich and Quintela-Davila (2014).
\textsuperscript{32} Jakubowski, Patrinos, Porta and Wisniewski 2010.
\textsuperscript{33} Hanushek E. and L. Wöbmann. 2005.
\textsuperscript{34} Malamud, Offer and Pop-Eleches 2011.
\textsuperscript{35} Jakubowski, Patrinos, Porta and Wisniewski 2010; Malamud, Pop-Eleches 2011; Hanushek E. and L. Wöbmann 2005.
\textsuperscript{37} Duarte, Gargiulo and Moreno 2011.
disadvantaged students. Evidence from successful education systems shows that assigning the best educators to vulnerable areas, where they are most needed, can foster student learning.\(^{38,39}\)

1.19 **Bank’s support to the education sector.** In 2003, the Bank approved the Basic Education Improvement Program (BEIP) (1521/OC-SU) for US$14 million to support the GoS in carrying out the education reform process. The program’s objective was to develop a new mandatory Basic Education System to all school-aged children from ages 4 to 16. After subsequent adjustments, in 2011, the GoS prioritized the first eight years of schooling (pre-primary and primary levels, ages 4 to 12). As a result, the BEIP program designed the curriculum frameworks for all preschool and primary grades (grades 1 to 8) and developed and implemented nationally the curriculum for the preschool grades. It also renovated 55 schools, built 10 teacher training centers, trained 3,300 education stakeholders, and provided 106,000 textbooks and learning materials.

1.20 **Evaluation of Phase I (SU-L1019) and verification of the fulfillment of triggers for Phase II (see EEO#3).** In June 2012, the IDB approved a multiphase operation to give continuity to the curriculum reform and the activities of the first BEIP. The multiphase operation aims at increasing the learning outcomes of students in the education system of Suriname from pre-primary through junior secondary education, and improving the internal efficiency and quality of the new basic education system. The first phase of the multiphase (2\(^{nd}\) Basic Education Improvement Program (BEIP) Phase I (2742/OC-SU)) approved for US$13.7 million aimed at increasing learning outcomes and improving internal efficiency.

1.21 Phase I has made significant progress in the areas of curricular reform, teacher training and the provision of textbooks and teacher guides. The program redesigned and implemented the curriculum for grades 3, 4, 5 and 6; trained 6,000 teachers in the new curriculum; and distributed 440,000 textbooks and teacher guides. Phase II will continue with these activities for the remaining grades of primary education and will develop a strategy for junior secondary education reform. Phase I also supported the development of an ICT policy that was adopted by the MOESC which provides clear guidelines on how the use of technology can complement the delivery of the curriculum. Phase II will support the implementation of the ICT policy. With respect to the expansion and construction of schools and teacher housing in the interior, Phase I successfully built 2 new schools, renovated 12 schools in the interior (21 new classrooms and 20 renovated classrooms) and built 20 new houses for teachers. These new schools, classrooms and teacher housing have allowed students in the interior to have access to adequate learning environments and have enabled teachers to live close to the schools that otherwise are very hard to reach given their remoteness in the interior of the country. In the area of institutional strengthening, progress has been slow; high turnover in the upper management levels of MOESC along with low budgets for MOESC operations have hindered progress in this area. At the same time, a successful social marketing campaign is being carried out to inform and involve all stakeholders (parents, teachers, principals, MOESC personnel) about the reform. Phase II will continue strengthening the capacity of the MOESC.

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\(^{38}\) Ingersoll, R. 2002.

1.22 **Fulfillment of triggers for Phase II.** Phase I had the original goal of completing the redesign of the entire primary education curriculum. During execution, and in light of a shortage of local curriculum writers, MOESC opted to purchase licenses for Language and Math curriculum from a Dutch publishing company. This approach was more costly than originally estimated. Therefore, within the budget of Phase I, some originally planned activities were deferred to Phase II (redesign of curriculum for grades 7 and 8 and building of CENASU) and some activities planned for Phase II (curriculum redesign of junior secondary) are now deferred to a future operation already under discussion with the GoS. Triggers that were to be completed in parallel with the design of the last two grades of primary education (grades 7 and 8) are now part of Phase II and therefore have not been fulfilled yet. These triggers are expected to be fulfilled during the execution of Phase II and before a planned future operation that will finance the reform of secondary education. Together, Phases I and II will achieve the objectives of the multiphase operation of improving student learning in primary education and will set the stage for the reform of junior secondary education by advancing on a strategy and a curriculum framework for this level. Moving forward with Phase II will enable the fulfillment of the pending triggers and achieving the objectives set forth for the multiphase operation.

<table>
<thead>
<tr>
<th>Trigger</th>
<th>Mean of verification</th>
<th>Status</th>
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<tbody>
<tr>
<td>Trigger 1. Curricula for core subjects in grades 3 to 6 approved</td>
<td>Copy of revised curricula for core courses from grades 1 to 6; MOESC certification of its implementation.</td>
<td>Fulfilled. Curriculum for grades 3 to 6 has been developed. Grades 3 and 4: implemented nationally; Grades 5 and 6: piloted in current school year and implemented nationally in 2015 school year.</td>
</tr>
<tr>
<td>Trigger 2. Basic education legislation, which includes abolition of the tracking system, approved.</td>
<td>Final approved legal document, legalized by the GOS.</td>
<td>Partially Fulfilled. Legislation submitted by MOECS to National Assembly and awaiting approval. Proposal makes education compulsory until the age of 16 and includes the modification of the current exam at the end of primary.</td>
</tr>
<tr>
<td>Trigger 3. 2 and 4 percentage points decrease in drop out and repetition rates, respectively.</td>
<td>School statistics from MOESC.</td>
<td>Partially Fulfilled. Dropout has decreased from 9% and 8% in 3rd and 5th grade in 2009 to 8% and 8% in 2013, respectively. Repetition has decreased from 19% and 18% in 3rd and 5th grade in 2009 to 15% and 18% in 2013, respectively.</td>
</tr>
<tr>
<td>Trigger 4. Draft National ICT in education policy and strategy completed.</td>
<td>Documents received from the MOESC.</td>
<td>Fulfilled. ICT policy completed and adopted by MOESC.</td>
</tr>
<tr>
<td>Trigger 5. Schools constructed and functioning in the interior.</td>
<td>MOESC certifications of infrastructure completed to appropriate standards; and complete staffing at appropriate levels.</td>
<td>Fulfilled. 2 new schools were constructed and 12 were renovated and expanded</td>
</tr>
<tr>
<td>Trigger 6. Strategy for reforming junior secondary grades in Phase II developed.</td>
<td>Consultancy report approved by Minister of Education/Cabinet.</td>
<td>Not Fulfilled. This strategy will be developed early in Phase II. The strategy was to be developed in parallel to redesign of curriculum of last years of primary education that are now part of Phase II.</td>
</tr>
</tbody>
</table>

1.23 **Trigger 1. Curricula for core subjects in grades 3 to 6 approved. Fulfilled.** During the implementation of Phase I: the curriculum in all subject areas (Language, Math, Arts and Culture, Science and Physical Education) for grades 3 to 6 was developed; textbooks for students and teachers’ guides were printed
and distributed to schools; and all teachers in these grades were trained in the use of the new curriculum. The curriculum for grades 3, 4 and 5 was implemented nationally between 2013 and 2014; the curriculum for Grade 6 it has been implemented nationally in the 2015-16 school year in all subjects except language, which is being piloted and will be implemented nationally in the 2016-17 school year.

1.24 **Trigger 2. Basic education legislation, which includes abolishment of the tracking system, approved. Partially fulfilled.** During Phase I, a draft proposal for the reform of the basic education system was completed and submitted to the MOESC for consideration. Based on this draft, the MOESC drafted a law proposal extending mandatory education from 12 to 16 years old and modifying the exam at the end of primary education. The legislation proposal prepared by the MOESC did not change the tracking consequences of the exam at the end of primary education, leaving instead that decision to the legislative framework of secondary education. It should be noted that the current Phase II does not include the redesign of secondary education; therefore the passing of the law will not affect the activities of this loan proposal. Nevertheless, given the importance of modifying the tracking system for making the education system more flexible and pertinent and raising student learning outcomes (¶1.17), the Bank will continue working with the GoS towards a reform of the secondary education. In this sense, Phase II will fund the development of a strategy to reform secondary education that is expected to inform the decision regarding the legislative framework needed for this level of education. It should be noted that current Bank practices have moved away from including legislation reforms in its triggers.

1.25 **Trigger 3. Two and four percentage points decrease in drop out and repetition rates, respectively. Partially fulfilled.** This trigger was met for the repetition rate and advanced for the dropout rate in the early grades (3rd grade) where the interventions have matured. For the later grades (5th grade) the interventions have just started (the curriculum reached 5th graders in the school year 2013-14), and, therefore, it will take a few more years to observe the expected change. Dropout rates have decreased from 9% to 8% in 3rd grade and remained at 8% for 5th grade between the school year 2009-10 and 2013-14. Repetition rates have decreased from 19% to 15% in 3rd grade and remained at 18% in 5th grade between the school year 2009-10 and 2013-14. It is expected that when the redesign of the whole primary education curriculum is finished during the first years of execution that the dropout and repetition rates will meet the targets.

1.26 **Trigger 4. Draft National ICT in education policy and strategy completed. Fulfilled.** Phase I was instrumental in developing an ICT policy that was adopted by the MOESC and provides clear guidelines on how the use of technology can complement the delivery of the curriculum. As a first step implementing the ICT strategy, an ICT unit has already been created within the MOESC. The policy can be accessed in EEO#7.

1.27 **Trigger 5. Schools constructed and functioning in the interior. Fulfilled.** Phase I has successfully built 2 new schools, renovated 12 schools in the interior (21 new classrooms and 20 renovated classrooms) and built 20 new houses for teachers. These new schools, classrooms and teacher housing have allowed students in the interior to have access to environments that allow for better
learning. At the same time, the teacher housing has enabled teachers to live close to the schools that are very hard to reach given their remoteness in the interior of the country.

1.28 **Trigger 6. Strategy for reforming junior secondary grades in Phase II developed.** Not fulfilled. The strategy to reform lower secondary education has not yet been developed yet but will be advanced in the execution of Phase II. The strategy is to be prepared in parallel with the redesign of the curriculum of the last grades of primary education that are now part of Phase II.

1.29 **Financial Trigger.** At least 50% of loan resources disbursed and 75% committed. Fulfilled. Phase I has disbursed almost all of its resources, as of October 14th, 2015 the loan had disbursed 95.8% of its resources.

1.30 **Lessons Learned.** Through the two previous operations (¶1.19 and ¶1.20), the MOESC has learned valuable lessons that have been taken into account for this new operation. Among them: (i) an efficient process for curriculum development: throughout the execution of Phase I several methods to develop curriculum were tested. Purchasing the curriculum licenses for math and science in the Netherlands and then adapting the content locally turned out to be the most efficient alternative. Therefore, the proposed operation intends to develop curriculum for grades 7 and 8 for these two subjects by following the same process of the previous grades; (ii) mechanisms to adequately integrate the MOESC into BEIP’s activities and vice versa to ensure ownership and long-term sustainability: during the execution of Phase I, an effort was put in place to improve the communication channels between BEIP and the MOESC, as well as to increase the participation of MOESC authorities in both the decision-making processes and the implementation of the program. In this sense, this new phase will continue to build up the role of the Advisory Committee to involve all stakeholders in the program and get qualified MOESC personnel involved in the execution of the program (¶3.3); (iii) continue with communications efforts, such as the social marketing campaign to promote key stakeholder (principals, teachers, parents) involvement and ensure their buy-in; and (iv) continue building institutional capacity within the MOESC to improve data collection and analysis processes to promote evidence-based policy-making. Lessons learned from Phase I are based on the results from its midterm evaluation (EEO#2). A final evaluation is scheduled to be finished early 2016. The results of the final evaluation are not expected to be significantly different from the midterm evaluation and will only update the final outputs and outcomes. Any findings will be taken into account throughout the execution of Phase II.

1.31 **Alignment with Bank’s priorities and Country Strategy.** This program will contribute to the lending program priorities of the Ninth General Capital Increase in the Resources of the Inter-American Development Bank (AB-2764) (GCI-9) by: (i) supporting small and vulnerable countries (SV); and (ii) reducing poverty and inequity by improving the educational outcomes of Surinamese children. It will also contribute to the regional goal of increasing the proportion of 15 to 19 year olds that complete 9th grade (equivalent to 11th grade in Suriname) and to the output of students benefitted by education programs as defined by the Corporate Results Framework. The project is aligned 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. It is also consistent with the Sector Framework Document of Education and Early
Childhood Development (GN-2708-2) as it focuses on improving student learning. Finally, the proposed program is aligned with Suriname’s Country Strategy 2011-2015 (GN-2637-3), which emphasizes the improvement of the quality of education through strengthening the education system and enhancing the MOESC’s capacity.

B. **Objective, Components and Cost**

1.32 The proposed program is the second phase of a multiphase operation that aims at increasing learning outcomes of all primary school students and improving the internal efficiency of the education system. The first phase (2742/OC-SU) focused on developing the curriculum for students from grades 3 to 6, and improving access to preschool and primary education in the interior. This second phase will continue developing the curriculum of the last two years of primary education, improving access to better schools and teachers in the interior, and building capacity within the MOESC. At the same time, this program will complement the already developed curriculum for pre-primary and early grades of primary education with the provision of didactic material, reading books, and additional teacher training and coaching for grades 1-8. Therefore, the program direct beneficiaries are the 88,000 primary and preprimary education students and approximately 6,500 teachers working in these education levels.

1.33 **Component 1. Improve student learning (US$11.71 million).** The objective of this component is to improve student learning and the efficiency of the primary education levels in Suriname by completing the redesign of the curriculum of primary education in all subject areas, developing and making available students’ textbooks and teachers’ guides in the schools to support the implementation of the new curriculum as well as training and coaching teachers in its use. This component will finance the following activities: (i) redesign of curriculum for primary education, including: curriculum development of all subjects for grades 7 and 8, emphasizing the portrayal of non-stereotypical gender roles; development of reading books for grades 4 to 8 to complement the language curriculum; a strategy to improve examinations and implementation of recommendations; (ii) training and coaching of teachers and principals in the new curriculum; (iii) provision of textbooks and teaching guides for grades 7 and 8; reading books for grade 4 to 8; and didactic materials for grades 1 to 8; (iv) development of e-content in the new math and language curriculum for grades 3 to 8; and (v) development of a strategy to inform the lower secondary education reform, including a curriculum framework review and stakeholder consultations. This strategy will assess how to establish a stronger connection between the education system and labor market demands, with a special emphasis on how to improve women’s participation in the labor market. The amount assigned to this component reflects the costs of curriculum redesign observed in Phase I.

1.34 **Component 2. Improve access to education in the interior and improve facilities at MOESC (US$5 million).** The objective of this component is to improve access to better schools and teachers in the interior of the country as

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40 Didactic material includes objects that can be used in classrooms to foster learning such as blocks, play dough, crayons, among others.

41 Reading books will complement the language curriculum and textbooks developed through Phase I and will aim at strengthening reading comprehension skills in students in grades 4-8.
well as the facilities of the MOESC. The program will finance the following activities: (i) the assessment of school infrastructure needs; (ii) renovation and expansion of classrooms and teacher housing in the interior; and (iii) construction of the Centre for Continuing Education of Suriname (CENASU) to train teachers and principals. The CENASU will be located within the MOESC premises, the land is currently owned by the MOESC and the technical drawings and bidding documents were advanced and financed by Phase I. The schools in the interior will rely on the connection to electricity; water and sanitation from the village where they are located.

1.35 **Component 3. Improve management capacity at the MOESC (US$1.54 million).** The objective of this component is to improve the capacity of the MOESC in delivering education services, supporting schools and teachers and monitoring progress. This component will finance the following activities: (i) capacity strengthening of MOESC departments; (ii) continued implementation of the social marketing campaign to inform the public about the program; and (iii) assistance to the MOESC in the execution of the ICT in Education Policy.

1.36 **Component 4. Program Administration (US$1.45 million) and Contingencies (US$300,000).** This component includes the administrative costs of the execution of the program through the existing Program Management Unit, the midterm and final evaluation and the audit.

C. **Key Results Indicators**

1.37 Key outcome variables to measure the objective of the program include: (i) Percentage of students with satisfactory results at the exam taken at end of primary education; (ii) Percentage of students that complete primary education on time; (iii) Strategy for reform of secondary education adopted by the MOESC; (iv) Yearly statistics reports published by MOESC; and (v) Number of students benefitted (see Annex II). At the same time, the program 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.

1.38 **Economic Analysis.** An ex ante cost benefit analysis was conducted to identify and quantify the benefits and costs of the program. For Component 1, the main identified benefits include a decrease in the repetition rate and a corresponding increase in the promotion rate. The costs are those associated with the development of the curriculum, textbooks and teachers guide and their printing and distribution. The Net Present Value (NPV) discounted at a rate of 12% for the stream of income is US$14,030,687 and is higher than the NPV of the costs rendering a Benefit/Cost ratio of 2.15 and an Internal Rate of Return of 29%. A sensitivity analysis was performed with different changes in the repetition rate, all rendering the Benefit Cost ratio above 1. For Component 2, the main identified benefits of a better school environment and qualified primary teachers attracted by new housing include higher on time completion of primary school (savings in dropout) as well as savings in transportation to reach schools in the interior. For this component the Benefit/Cost ratio is 1.29 and the Internal Rate of Return is 16.72%. A sensitivity analysis was also performed for the different rates of expected completion of primary education, all rendering B/C ratios above 1. The sensitivity analysis shows that even reducing the gains to 20% for components
(in the percentage of repetition rate and the percentage of children who do not finish primary respectively), the benefit/cost ratio is still positive and the IRR is bigger than 12%. This shows that this project, under its two investment components is strong and viable, and has a positive return for the investment (see EEO#1).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing Instruments

2.1 To support the government’s priority of improving student learning, the GOS requested assistance from the Bank through a multiphase operation. The long term nature of the activities together with the goal of promoting their continuity justifies the use of a multiphase loan as described in document GN-2085-2. The first phase of the multiphase (2nd Basic Education Improvement Program (BEIP) Phase I (2742/OC-SU)) was approved in 2012 for US$13.7 million. The current second phase program is an investment loan for a total cost of US$20 million fully financed with Bank resources. The operation will be financed through the Bank’s Ordinary Capital.

Table 2. Costs by component

<table>
<thead>
<tr>
<th>Component/ Subcomponent</th>
<th>IDB</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1. Improve student learning</td>
<td>11,710,000</td>
<td>11,710,000</td>
<td>59%</td>
</tr>
<tr>
<td>1.1 Redesign of curriculum</td>
<td>5,300,000</td>
<td>5,300,000</td>
<td>27%</td>
</tr>
<tr>
<td>1.2 Training of teachers and principals</td>
<td>1,610,000</td>
<td>1,610,000</td>
<td>8%</td>
</tr>
<tr>
<td>1.3 Provision of textbooks and teachers guides</td>
<td>2,600,000</td>
<td>2,600,000</td>
<td>13%</td>
</tr>
<tr>
<td>1.4 Development of e-content</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>5%</td>
</tr>
<tr>
<td>1.5 Strategy to reform lower secondary</td>
<td>1,200,000</td>
<td>1,200,000</td>
<td>6%</td>
</tr>
<tr>
<td>Component 2. Improve access to education</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>25%</td>
</tr>
<tr>
<td>2.1 Assessment of school infrastructure needs</td>
<td>500,000</td>
<td>500,000</td>
<td>2.5%</td>
</tr>
<tr>
<td>2.2. Renovation and expansion of classrooms and teacher housing</td>
<td>3,500,000</td>
<td>3,500,000</td>
<td>17.5%</td>
</tr>
<tr>
<td>2.3. Building of CENASU</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>5%</td>
</tr>
<tr>
<td>Component 3. Improve management capacity at MOESC</td>
<td>1,540,000</td>
<td>1,540,000</td>
<td>8%</td>
</tr>
<tr>
<td>3.1. Capacity strengthening</td>
<td>300,000</td>
<td>300,000</td>
<td>2%</td>
</tr>
<tr>
<td>3.2. Social Marketing Campaign</td>
<td>240,000</td>
<td>240,000</td>
<td>1%</td>
</tr>
<tr>
<td>3.3. Assistance in the execution of ICT in Education Policy</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>5%</td>
</tr>
<tr>
<td>Program Administration</td>
<td>1,450,000</td>
<td>1,450,000</td>
<td>7%</td>
</tr>
<tr>
<td>Program Management Unit</td>
<td>1,080,000</td>
<td>1,080,000</td>
<td>5%</td>
</tr>
<tr>
<td>Evaluations</td>
<td>300,000</td>
<td>300,000</td>
<td>1.5%</td>
</tr>
<tr>
<td>Audit</td>
<td>70,000</td>
<td>70,000</td>
<td>0.5%</td>
</tr>
<tr>
<td>Contingencies</td>
<td>300,000</td>
<td>300,000</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>20,000,000</td>
<td>20,000,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

2.2 Pursuant to Document AB-2990, the disbursement of Bank resources (OC) will be subject to the following maximum limits: (i) up to 15% during the first 12 months; (ii) up to 30% during the first 24 months; and (iii) up to 50% during the first 36 months. All these periods will be counted from the time the Loan operation is approved by the Board of Executive Directors. These limitations may be rendered inapplicable to the extent that the requirements set forth in the Bank’s policy regarding said limitations have been fulfilled, provided that the borrower has been notified of the same in writing.
Table 3. Tentative Disbursement Schedule (US$ thousands)

<table>
<thead>
<tr>
<th>Component</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1</td>
<td>2,650</td>
<td>2,650</td>
<td>850</td>
<td>4,885</td>
<td>675</td>
<td>11,710</td>
</tr>
<tr>
<td>Component 2</td>
<td>0</td>
<td>0</td>
<td>2,500</td>
<td>1,000</td>
<td>1,500</td>
<td>5,000</td>
</tr>
<tr>
<td>Component 3</td>
<td>48</td>
<td>48</td>
<td>448</td>
<td>448</td>
<td>548</td>
<td>1,540</td>
</tr>
<tr>
<td>Program Administration</td>
<td>230</td>
<td>230</td>
<td>305</td>
<td>230</td>
<td>455</td>
<td>1,450</td>
</tr>
<tr>
<td>Contingencies</td>
<td></td>
<td></td>
<td>300</td>
<td>300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,928</td>
<td>2,928</td>
<td>4,103</td>
<td>6,563</td>
<td>3,478</td>
<td>20,000</td>
</tr>
<tr>
<td>% of total disbursements</td>
<td>15%</td>
<td>29%</td>
<td>50%</td>
<td>83%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

B. Environmental and Social Safeguard Risks

2.3 The operation is classified as Category B according to the IDB’s Environmental Safeguards Policy and is in compliance with the Bank’s environmental and social policies (OP-703). The key impacts and risks are associated with Component 2: renovation and expansion of 7 schools and teacher housing in the areas of Sipaliwini and Brokopondo, and the construction of the CENASU. These impacts are expected to be minor to moderate, because they are highly localized, typical of small to medium scale construction works, and manageable through the implementation of environmental, health and safety mitigation measures. Especially, because this loan builds on the experience of the first phase of the operation, which also entailed construction and renovation activities in the interior of Suriname. It is not expected that this operation will have resettlements nor economic displacements. However, if it were the case, the project will follow the Bank’s resettlement policy (OP-710).

2.4 Given that Phase II construction activities are similar to those of Phase I, the Environmental and Social Management Plan (ESMP) approved for Phase I will be applied for this operation. In particular, for Phase II the ESMP provisions are reflected in the Environmental and Social Management Report (ESMR, EER#3) and will be included in the Operations Manual. To ensure that the best engineering practices and environmental awareness are implemented during the construction phase, the IDB will request to include in the bidding documents and in the construction contracts best engineering practices, indicating the mitigation and prevention measures presented in the ESMP and ESMR. Additionally, during the operation phase, preventive maintenance should be the priority for the MOESC, especially in the interior, so that corrective measures are kept to a minimum. Furthermore, the final evaluation planned at the end of Phase I will include an assessment of its Environmental and Social impacts rendering lessons learned on how to mitigate environmental and social impacts that will be taken into account for Phase II.

C. Fiduciary Risk

2.5 A team of Bank specialists reviewed the fiduciary management capabilities of the Program Management Unit (PMU). The assessment indicates the financial management and procurement risk level is medium. The PMU has experience and familiarity with the Bank’s fiduciary policies and procedures, however there is often rotation among key personnel. The PMU will receive routine capacity building and refresher courses on IDB’s policies and procedures as well as technical support from the Bank to execute the program activities.
D. Other Key Issues and Risks

2.6 **Macroeconomic and fiscal sustainability (medium).** There is a risk of deterioration of the macroeconomic framework as a result of external shocks or shift in macroeconomic policies or fiscal situation and economic conditions in the country. Given that this macroeconomic context could affect project execution, the loan will be disbursed prioritizing key activities within the restriction for disbursement in the first 3 years of the program (¶2.2).

2.7 **Ownership of the program (medium).** Limited involvement of the MOESC authorities and personnel in the decision-making processes and implementation, as well as inefficient communication channels between the PMU and the MOESC can result in lack of ownership of the project. This new operation will build on lessons learned from Phase I and involve MOESC authorities and personnel in the loan activities to ensure the ownership of the program and ultimately contribute to the sustainability of the reform while creating capacity within the MOESC. At the same time, other stakeholders (teachers, principals, and parents) may not understand the purpose and content of the new curriculum, which could in turn hamper its timely adoption. This operation will continue with the social marketing campaign of Phase I to inform parents, teachers and principals about the new curriculum. Similarly, continuous training and coaching will be provided to teachers and principals, so that they can better understand the scope of the reform and successfully use the new materials in the schools.

2.8 **Lack of reliable data (medium).** There is limited capacity in the MOESC to analyze education data to assess the progress of the education sector and monitor and evaluate the program. MOESC has collected data on schools and students for all recent years, but they lack the capacity to manage and analyze it to produce yearly statistical reports. With funds of the project, the Research and Planning Unit at the MOESC, in charge of producing education statistics, will receive specialized training, equipment and software to improve their capacity to collect, analyze and report data.

2.9 **Accomplishments of triggers during execution of Phase II (low).** As mentioned in paragraph 1.23, activities originally planned for Phase I that were linked to the fulfillment of the triggers were postponed to Phase II, in particular those related to the reform of secondary education. During execution of Phase II it is expected that these triggers will be met and set the stage for a future operation that will work in developing the curriculum for secondary education. There is a risk that the GoS will not adopt the strategy to reform the curriculum at the secondary level alongside the needed legislation reforms. This risk is low given that MOESC is committed to the reform of the education system and has expressed value in continuing with the reform of the secondary education to accommodate students that graduate from primary education with the new redesigned curriculum. The program will finance the design of the strategy and bring technical expertise for the authorities to make an informed decision towards the reform of secondary education.

2.10 **Sustainability of the activities.** Phase II will put special emphasis in improving the capacity of the MOESC to execute key activities of the program. Phase II plans a larger involvement and training of the curriculum writers, school inspectors, initial and in service teacher trainers of the MOESC in order to sustain the implementation of the new curriculum. Regarding school
infrastructure, the MOESC will staff the schools with teachers and will provide maintenance to school facilities through its Technical Department. At the same time, an Advisory Committee composed of key stakeholders (¶3.2) will provide guidance to the program as well as keep the members informed to increase ownership of the program among stakeholders. The program’s social marketing campaign will inform parents, teachers and the MOESC of the development of the program. This is a key activity to get the buy in from the education community when significant reforms, like the introduction of a new curriculum, take place. It is expected that by improving the capacity of the MOESC to take on key activities and involving key education stakeholders in the program (through the Advisory Committee and Marketing Campaign) the activities of the program will be sustained over time.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of Implementation Arrangements

3.1 The program management will continue with the same organizational structure established in Phase I, in which the borrower is the Republic of Suriname and the Executing Agency is the MOESC, through the PMU. The PMU is responsible for the technical and operational implementation of the program. It coordinates with the MOESC staff and enables the execution of the activities, including administrative tasks, procurement, and financial management. The PMU is headed by the Program Manager, who reports directly to the Permanent Secretary (PS), and represents the PMU on all program related matters. The rest of the core staff includes: An Operations Officer, a Procurement Officer, a Finance Officer, a Curriculum Task Officer, a Social Marketing Task Officer, an Infrastructure Task Officer and a Monitoring and Evaluation (M&E) Officer. Additional support is currently provided by a bookkeeper and an office administrative assistant, who are also expected to continue throughout Phase II. The Program will cover the expenses (based on the MOESC salary scale) related to these positions (see EER#1).

3.2 Coordination with MOESC and sustainability. To ensure adequate management and coordination and to guarantee the sustainability of the interventions, this program will continue with the Advisory Committee established in Phase I to provide guidance on the activities, review key program documents and reports, and advice on the program’s execution. The PS chairs the bi-annual meetings of this Committee and its members include: key Directors within MOESC, representatives of pre service teacher training institutes, members of Denominational Boards as well as the PMU’s Program Manager who liaises the committee and the PMU.

3.3 Besides coordinating with MOESC authorities through the Advisory Committee, the PMU task officers will coordinate their activities with the departments of curriculum development, teacher education, the technical division and research and planning. These MOESC departments will collaborate with the PMU in defining the activities and implementation modalities; provide input to terms of references and bidding documents; and implement certain activities. Thus, the PMU’s Curriculum Task Officer will coordinate with the Curriculum Department and CENASU staff within the MOESC to train teachers and principals in the new curriculum and distribute textbooks in a timely manner. Similarly, the
Infrastructure Task Officer will work together with the MOESC’s Building Commission to build and remodel school facilities and with the Technical Department to ensure the adequate maintenance of new school facilities. Finally, the M&E Officer will work within the Research and Planning Department of MOESC to monitor, evaluate and report project performance.

3.4 The Operations Manual (EEO#5) in use for Phase I will be updated to take into account lessons learned, improve the execution of both recurrent and new activities, and ensure the program’s sustainability over time. The OM will also incorporate a guide to keep the assets and facilities developed by Component 2 in good condition. This guide will be disseminated among school principals, teachers, parents, and the community in general after finalizing renovations/expansions of each school. The OM will also contain a provision to build special storage facilities for maintenance equipment in remodeled schools, in accordance with the Environmental and Social Plan (EER#3).

3.5 Special Contractual Conditions prior to the first disbursement: (i) approval of the Program Execution Plan, the Operations Manual and the Procurement Plan, in accordance with the terms and conditions previously agreed upon between the Executing Agency and the Bank; and (ii) evidence that the key personnel of the PMU, including the program manager and the procurement and financial officers are appointed, in accordance with the terms of references previously agreed upon between the Executing Agency and the Bank.

3.6 Procurement. Procurement of goods, works and consulting services to be financed by the loan will be carried out in accordance with the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (GN-2349-9) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9). The following activities will be contracted through single-source selection method pursuant to the provisions set forth in paragraph 3.10 (d) of GN-2350-9: (a) the license for the curriculum of Math and Language Grade 7 and 8; and (b) the license for e-content and software for Math and Language for Grades 3 to 8. The single source selection is justified to contract the same publishing company than in Phase I to give continuity to the curriculum redesign of the first grades and the e-content compatible with the curriculum redesign. Procurement processes will be supervised ex ante by the Bank. During the execution of the project the capacity of the PMU will be monitored and ex-post review will be given based on the level of fiduciary risk and the complexity of the procurement activities (see EER#4).

B. Summary of Arrangements for Monitoring Results

3.7 Summary of monitoring arrangements. The Bank and the MOESC, through the PMU, will focus its monitoring on the proper implementation of all activities of the program. The PMU’s program manager, with the support of the task officers in charge of each of the main components of the project, will be responsible of reporting on the advance and problems of the implementation. These reports that track the implementation and physical advancement of the activities will be consolidated in the semiannual reports that the PMU will submit to the Bank. The Bank team responsible for the program will schedule two administration missions and two technical visits per year and monthly videoconferences to track the
physical and financial progress of the program. The monitoring will be based on the following instruments: (i) the Annual Operation Plan (AOP); (ii) the semi-annual progress reports that will inform the Bank’s Progress Monitoring Reports (PMR); (iii) the results matrix; and (iv) the Risk Matrix and the Mitigation Plan.

3.8 Summary of evaluation arrangements. The main objective of the evaluation plan is to determine whether the interventions supported by the program contributed to the expected results. A midterm and final evaluation financed with loan resources will be conducted that will measure the evolution of the indicators included in the results matrix and assess program implementation. The mid-term evaluation will analyze progress towards achieving planned outputs, bottlenecks in the implementation, suggest solutions, and recommend program modifications based on lessons learned during the review period. The final evaluation will look at the reform of the whole primary education curriculum covered by Phase I and II and will also function as a reflexive evaluation. Its methodology will be twofold: (i) a “before-after” analysis that will compare the main results before the launch of the program and after completing it; and (ii) an ex post cost-benefit analysis, which will be conducted for the main measurable benefits and costs. To complement these analyses, a set of interviews will be carried out with key stakeholders to assess results, implementation of the activities, sustainability of the program, and lessons learnt.
The main goal of the program is to increase learning outcomes for primary school students and improve the internal efficiency of the education system. Based on the sector framework, four factors are identified as contributing to low learning and internal efficiency: i) an outdated curriculum, ii) low management capacity within the Ministry of Education, Science and Culture (MOESC), iii) lack of access to adequate schools and qualified teachers in remote areas, and iv) a tracking system in secondary education with restricted interconnectivity among the different tracks. The diagnosis is based on the rationale that the last curricular reform took place in the 1970s and the gradual reform of grades 1 through 6 in 2006 generates demand for reform in subsequent grades 7 and 8. This change generates demand for inputs that support the implementation of the reform and for complementarities such as the development of content and inputs to support teacher training.

Culture (MOESC), iii) lack of access to adequate schools and qualified teachers in remote areas, and iv) a tracking system in secondary education with restricted interconnectivity.

The IDB’s involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:

1. IDB Strategic Development Objectives
   - Lending to small and vulnerable countries
   - Lending for poverty reduction and equity enhancement

2. Country Strategy Development Objectives
   - i) Improve quality of primary level education and ii) Improve the quality of curricula and teaching at the primary level.

3. Country Program Results Matrix
   - GN-2637-3
   - The intervention is included in the 2015 Operational Program.

4. Evidence-based Assessment & Solution
   - 4.1 Program Diagnosis
   - 4.2 Proposed Interventions or Solutions
   - 4.3 Results Matrix Quality
   - 4.4 Identified and Quantified Benefits
   - 4.5 Identified and Quantified Costs
   - 4.6 Sensitivity Analysis
   - 4.7 Monitoring and Evaluation
   - 4.8 Monitoring Mechanisms
   - 4.9 Economic Analysis

5. Monitoring Mechanisms
   - 5.1 Monitoring Plan
   - 5.2 Evaluation Plan

6. Ex ante Economic Analysis
   - The project includes a cost-benefit analysis based on the assumption that the program will reduce the failure rate for component I and the dropout rate for component II. Component III is excluded from the analysis. Component II represents 8% of the budget of the program.

7. Sensitivity Analysis
   - The sensitivity analysis estimates an IRR in the base case of 29% for component I and of 17% for component II.

8. Monitoring and Evaluation
   - The sum of the annual targets for the output indicators on the number of teachers and leaders trained, does not add to the final goal, which affects the quality of the matrix.

9. Economic Analysis
   - The program has an ERR/NPV, a Cost-Effectiveness Analysis or a General Economic Analysis.

The project includes a cost-benefit analysis based on the assumption that the program will reduce the failure rate for component I and the dropout rate for component II. Component III is excluded from the analysis. Component II represents 8% of the budget of the program. The assessment includes a sensitivity analysis and estimates an IRR in the base case of 29% for component I and of 17% for component II. The proposed evaluation methodology includes a before-after comparison and an ex post cost-benefit analysis.

The identified risks are rated as medium. The risks with a higher probability classification are macroeconomic shocks or shift in macroeconomic policies of fiscal conditions affecting the conditions in the country and the lack of data to track progress derived from the limited capacity by MOESC. The mitigation measures include restricted disbursement and training for personnel. The differentiation between mitigation measures and some program inputs is not clear.

The main goal of the program is to increase learning outcomes for primary school students and improve the internal efficiency of the education system. Based on the sector framework, four factors are identified as contributing to low learning and internal efficiency: i) an outdated curriculum, ii) low management capacity within the Ministry of Education, Science and Culture (MOESC), iii) lack of access to adequate schools and qualified teachers in remote areas, and iv) a tracking system in secondary education with restricted interconnectivity among the different tracks. The diagnosis is based on the rationale that the last curricular reform took place in the 1970s and the gradual reform of grades 1 through 6 in 2006 generates demand for reform in subsequent grades 7 and 8. This change generates demand for inputs that support the implementation of the reform and for complementarities such as the development of content and inputs to support teacher training.

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## Project Objective:
Increase learning outcomes of all primary school students and improve the internal efficiency of the education system. The first phase focused on developing the curriculum for students from grade 3 to 6, and improving access to preschool and primary education in the interior. This second phase will continue developing the curriculum of the last two years of primary education, and improving access to better schools and teachers in the interior.

### Expected Results

<table>
<thead>
<tr>
<th>Expected Results</th>
<th>Unit</th>
<th>Baseline</th>
<th>Goals</th>
<th>Means of verification</th>
<th>Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of students with satisfactory results in Math at the exam taken at end of primary education (exam at grade 8)</td>
<td>Percentage</td>
<td>Math</td>
<td>Year</td>
<td>Math= 25% 2014 40% 2020</td>
<td>MOESC Research and Planning Department with data from Bureau of Examinations</td>
</tr>
<tr>
<td>Percentage of students with satisfactory results in Language at the exam taken at end of primary education (exam at grade 8)</td>
<td>Percentage</td>
<td>Language</td>
<td>Year</td>
<td>Language =62% 2014 70% 2020</td>
<td>MOESC Research and Planning Department with data from Bureau of Examinations</td>
</tr>
<tr>
<td>Percentage of students countrywide that complete primary education on time (to grade 8)</td>
<td>Percentage</td>
<td>Suriname</td>
<td>Year</td>
<td>Suriname = 34% 2014 50% 2020</td>
<td>MOESC Research and Planning Department with data from Bureau of Examinations</td>
</tr>
<tr>
<td>Percentage of students in Sipaliwini that complete primary education on time (to grade 8)</td>
<td>Percentage</td>
<td>Sipaliwini</td>
<td>Year</td>
<td>Sipaliwini = 8% 2014 25% 2020</td>
<td>MOESC Research and Planning Department with data from Bureau of Examinations</td>
</tr>
<tr>
<td>Percentage of students in Brokopondo that complete primary education on time (to grade 8)</td>
<td>Percentage</td>
<td>Brokopondo</td>
<td>Year</td>
<td>Brokopondo =16% 2014 30% 2020</td>
<td>MOESC Research and Planning Department with data from Bureau of Examinations</td>
</tr>
<tr>
<td>Strategy for reform of secondary education adopted by the MOESC</td>
<td>Document</td>
<td></td>
<td>Year</td>
<td>0 2015 1 2018</td>
<td>Semi-Annual Report (SAR) submitted by Project Management Unit (PMU)</td>
</tr>
<tr>
<td>Yearly statistics reports published by MOESC</td>
<td>Document</td>
<td></td>
<td>Year</td>
<td>0 2015 1 2018</td>
<td>MOESC Research and Planning Department</td>
</tr>
<tr>
<td>Number of students benefitted*</td>
<td>Students</td>
<td></td>
<td>Year</td>
<td>0 2015 87,875 2020</td>
<td>MOESC Research and Planning, Education Statistics</td>
</tr>
<tr>
<td>Number of male students benefitted*</td>
<td>Students</td>
<td></td>
<td>Year</td>
<td>0 2015 47,453 2020</td>
<td>MOESC Research and Planning, Education Statistics</td>
</tr>
<tr>
<td>Number of female students benefitted*</td>
<td>Students</td>
<td></td>
<td>Year</td>
<td>0 2015 40,423 2020</td>
<td>MOESC Research and Planning, Education Statistics</td>
</tr>
</tbody>
</table>

*Corporate Result Framework indicator for the Education Sector
## PRODUCTS

<table>
<thead>
<tr>
<th>Products</th>
<th>Estimated Cost (US$)</th>
<th>Unit</th>
<th>Baseline</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Final Goal</th>
<th>Means of verification¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component I: Improve student learning</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curriculum for Grade 7 developed in all subject areas along with textbooks and teachers guides</td>
<td>1,750,000</td>
<td>Curriculum</td>
<td>0</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>Letter from MOESC approving curriculum</td>
</tr>
<tr>
<td>Curriculum for Grade 8 developed in all subject areas along with textbooks and teachers guides</td>
<td>1,750,000</td>
<td>Curriculum</td>
<td>0</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>Letter from MOESC approving curriculum</td>
</tr>
<tr>
<td>Content for reading books and teachers guides developed for grades 4 to 8</td>
<td>500,000</td>
<td>Document</td>
<td>0</td>
<td></td>
<td></td>
<td>5</td>
<td></td>
<td></td>
<td>5</td>
<td>Letter from MOESC approving document with content for each grade</td>
</tr>
<tr>
<td>Number of teachers and school leaders trained and receiving coaching in the use of new curriculum</td>
<td>1,610,000</td>
<td>Teachers and School Leaders</td>
<td>0</td>
<td>1,350</td>
<td>1,350</td>
<td></td>
<td>6,850</td>
<td></td>
<td>6,850</td>
<td>SAR, PMU</td>
</tr>
<tr>
<td>Number of textbooks, teaching guides and kits of didactic materials printed or purchased</td>
<td>2,600,000</td>
<td>Books</td>
<td>0</td>
<td>81,250</td>
<td>81,250</td>
<td></td>
<td>194,250</td>
<td></td>
<td>356,750</td>
<td>SAR, PMU</td>
</tr>
<tr>
<td>E content for language and math aligned with new curriculum developed for grades 3 to 8</td>
<td>1,000,000</td>
<td>Document</td>
<td>0</td>
<td></td>
<td></td>
<td>6</td>
<td></td>
<td></td>
<td>6</td>
<td>Letter from MOESC approving document with content for each grade</td>
</tr>
<tr>
<td>Strategy for improving learning assessment completed</td>
<td>500,000</td>
<td>Document</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>Document submitted to the MOESC</td>
</tr>
<tr>
<td><strong>Component I: Improve student learning</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department in charge of examinations with capacity strengthened to implement learning assessment aligned with new curriculum</td>
<td>750,000</td>
<td>Department</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>SAR, PMU</td>
</tr>
<tr>
<td>Strategy for lower secondary reform completed</td>
<td>500,000</td>
<td>Document</td>
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<td></td>
<td></td>
<td>1</td>
<td>Document submitted to the MOESC</td>
</tr>
<tr>
<td>New curriculum framework for secondary education completed</td>
<td>600,000</td>
<td>Document</td>
<td>0</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td>Document submitted to the MOESC</td>
</tr>
<tr>
<td>Assessment on gender roles portrayed in learning and teaching materials and in teacher training carried out</td>
<td>50,000</td>
<td>Document</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>Document submitted to the MOESC</td>
</tr>
</tbody>
</table>

¹ Detail means of verifications and responsible agency are in the Monitoring and Evaluation Plan
<table>
<thead>
<tr>
<th>Products</th>
<th>Estimated Cost (US$)</th>
<th>Unit</th>
<th>Baseline</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Final Goal</th>
<th>Means of verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component II: Improve access to education in the interior and improve facilities at MOESC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Census of school infrastructure carried out</td>
<td>500,000</td>
<td>Document</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>First report on school census submitted to the MOESC</td>
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</tr>
<tr>
<td>Number of schools remodeled and/or expanded in the interior</td>
<td>3,500,000</td>
<td>Schools</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>7</td>
<td>SAR, PMU</td>
<td></td>
</tr>
<tr>
<td>CENASU built</td>
<td>1,000,000</td>
<td>Building</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>SAR, PMU</td>
<td></td>
</tr>
<tr>
<td>Component III: Improve management capacity at the MOESC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social marketing campaigns carried out</td>
<td>240,000</td>
<td>Marketing Campaigns</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>SAR, PMU</td>
</tr>
<tr>
<td>MOESC departments with staff trained and capacity strengthened</td>
<td>1,300,000</td>
<td>Department(s)</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>SAR, PMU</td>
<td></td>
</tr>
</tbody>
</table>
FIDUCIARY ARRANGEMENTS

COUNTRY: Suriname  
PROJECT: SU-L 1038. Second Basic Education Improvement Program (2nd BEIP) – Phase II  
EXECUTING AGENCY: Ministry of Education, Science and Community Development (MOESC)  
FIDUCIARY TEAM: Rinia Terborg-Tel, Fiduciary Financial Management Specialist; Shirley Maud Gayle, Fiduciary Procurement Specialist; and Mariska Tjon A Loi, Procurement Consultant

I. EXECUTIVE SUMMARY

1.1 The program is Phase II of a multiphase operation whose objective is to increase learning outcomes of students and improve the internal efficiency of the education system in Suriname. It will contribute to the overall objective of the multiphase by completing the curriculum development of the last two grades of primary education and improving the learning conditions in the interior with better school facilities and teacher housing. The project will be funded with IDB loan financing of US$20 million.

1.2 Phase II of the Program will be executed through the existing Program Management Unit (PMU) responsible for the execution of the first Phase (SU-L1019).

1.3 The procurement and financial management risks are assessed medium.

1.4 The MOESC/PMU will utilize its fiduciary management systems for the financial management and reporting of the project. The PMU currently uses QuickBooks, an off the shelf accounting package for the recording and reporting of the project which meets the IDB’s requirements. The Project will use the arrangements of the Treasury Single Account (TSA) established by the Ministry of Finance (MoF) for the flow of funds of projects funded by foreign development partners. The project will also continue to utilize the internal control and accounting procedures which have been assessed as being adequate.

II. EXECUTING AGENCY’S FIDUCIARY CONTEXT

2.1 The proceeds of the loan will be administered by the MOESC, a line ministry. The fiduciary context of the GOS and its line ministries has been documented in the Public Expenditure Financial Accountability (PEFA) report of 2011, indicating that the legal framework and practices for public financial management systems (PFMS) and procurement are outdated and are not consistent with best practices and international standards. In November 2014, a repeat assessment of PEFA was conducted to assess the level of improvement resulting from the Bank’s support to the Government of Suriname to improve the PFM and procurement systems through the implementation of a modern legal framework and the establishment of effective mechanisms to perform these functions. According to the preliminary results the GOS’ public financial management reforms interventions supported by the IDB have not yielded significant progress and therefore the status quo of the legal framework and practices for PFMS and procurement are same, being outdated and not consistent with international best practices.
2.2 It is expected that going forward, the GOS, with IDB support, will continue to improve the public financial management and procurement systems. Until these interventions have taken root, country systems relating to accounting and financial reporting, internal control, external auditing, and procurement will not be used. The IDB’s policies and procedures will remain applicable to procurement ad financial management overall.

2.3 The MOESC has in place a PMU with the necessary administrative, fiduciary and control mechanisms to manage the project and to maintain an effective administration of the Bank’s resources. Establishment of PMUs is in accordance with the GOS’ objective to build sustainable capacity within the government. The PMU as well as the ministry have built experience over the course of managing two previous BEIP operations, however, there is often change in staff. The Bank provides and conducts close fiduciary support and supervision on these institutional arrangements and it provides continuous training and advice as needed on Bank’s policies and procedures.

III. FIDUCIARY RISK EVALUATION AND MITIGATION ACTIONS

3.1 A procurement and financial management capacity assessment of the PMU was undertaken in 2012 as part of operation SU-L0023 and updated in November 2014, using the institutional capacity assessment (ICAS) tool. Based on the ICAS results coupled with the Bank’s knowledge and experience gained from the execution of the loan operation 2742/OC-SU, we have concluded that the fiduciary financial management and procurement risks are medium. The PMU has experience and familiarity with the Bank’s fiduciary policies and procedures, however there is often rotation among key personnel. The Bank will continue to provide general fiduciary support to increase the institutional capacity of the PMU.

3.2 The result of the fiduciary risk assessment indicates that the PMU has in place the necessary fiduciary, administrative, financial management, and internal control capabilities which would contribute to an effective and transparent administration of the loan resources. However, the often rotation among key personnel can hinder the capabilities of the PMU. The assessment highlighted the following risks, which could impact on the project:

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Rating</th>
<th>Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procurement</strong>. Lack of awareness of IDB procurement policies. High rotation of key personnel.</td>
<td>Medium</td>
<td>Routine capacity building and refreshment courses on IDB’s procurement policies will be provided to the PMU</td>
</tr>
<tr>
<td><strong>Financial Management</strong>. Lack of awareness of IDB’s FM policies and procedures related to disbursements and reporting procedures affecting disbursement of funds. High rotation of key personnel.</td>
<td>Medium</td>
<td>Customized and routine capacity building and refreshment courses on IDB’s financial management and procedures will be provided to the PMU</td>
</tr>
<tr>
<td>Lack of Project management skills impeding execution of project.</td>
<td>Low</td>
<td>Training in project management will be conducted to improve execution of IDB Project and decision making within MOESC/PMU structure.</td>
</tr>
</tbody>
</table>
IV. ASPECTS TO BE CONSIDERED IN THE SPECIAL CONDITIONS OF CONTRACT

4.1 The fiduciary arrangements that should be considered in the Special Clauses are described below:

(a) Key personnel of the PMU, including the program manager and the procurement and financial officers are appointed, in accordance with the terms of references previously agreed upon between the Executing Agency and the Bank.

(b) The EA has presented the following planning documents: (i) Program Execution Plan; (ii) the Operations Manual; and (iii) the Procurement Plan, in accordance with the terms and conditions previously agreed upon between the Executing Agency and the Bank.

(c) Rate of Exchange Agreed with the Executing Agency. The application of the exchange rate will be as follows: (i) Reimbursement of Expenses made: the effective rate of exchange on the date of payment of each expenditure, as published by the Central Bank of Suriname; and (ii) Reporting on Accounts or justification of the Advance of Funds: the effective rate of exchange used in the conversion of the currency of the operation to the local currency.

(d) Financial Statements and Reports, audited or unaudited:

(i) Semi-annual financial reports are to be included in the semi-annual progress report which will be submitted by the EA to the Bank;

(ii) Annual financial statements of the project, audited by a firm of independent public accountants acceptable to the Bank, are to be submitted to the Bank within 120 days at the end of each fiscal year, beginning with the fiscal year in which the first project expenditures are incurred; and

(iii) Final financial statements, audited by a firm of independent public accountants acceptable to the Bank, are to be submitted to the Bank within 120 days following the last disbursement date of the Program.

V. FIDUCIARY ARRANGEMENTS FOR PROCUREMENT EXECUTION

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

5.2 Procurement of Works, Goods and Non-Consulting Services. Procurement under the project will be governed by the policies contained in GN2349-9 Policies for the Procurement of Goods and Works. The Procurement Plan indicates the procedures to be used for the contracting of works goods and services under the project. Procurement processes subject to International Competitive Bidding will be executed through the use of the Standard Bidding Documents (SBDs) issued by the Bank. Processes subject to national Competitive Bidding (NCB) may be executed through the use of other documents satisfactory to the Bank. Where these are not available the Bank’s SBD will be used. The review of technical

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Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (GN-2349-9) paragraph 1.1: The services different to consulting services have a similar process as procurement of Goods.
specifications during the preparation of the selection process is the responsibility of the project sector specialist.

5.3 **Procurement of Information Technology (IT) Systems.** None.

5.4 **Selection and Contracting of Consultants.** Procurement of consulting services will be conducted in accordance with GN2350-9: Policies for the Selection and Contracting of Consultants. The procurement Plan for the operation, covering the duration of project execution is summarized in the Procurement Plan, and indicates the procedure to be used for the procurement of consultancy services. Review of the Terms of Reference (TOR) consultants is the responsibility of the project sector specialist.

5.5 **Selection of Individual Consultants.** Individual Consultants will be selected in accordance with the policy for the selection of consultants referenced above and may be done by three (3) Curriculum Vitae (CV) selection (comparison of qualifications) or open advertisement depending on cost.

5.6 **Single Source Selection.** Single Source Selection may be permitted with appropriate justification in accordance with the Bank’s policies and with the Bank’s non-objection. The following activities will be contracted through single-source selection method pursuant to the provisions set forth in paragraph 3.10 (d) of GN-2350-9:

1. License for the curriculum redesign of Grade 7 and 8 (Math and Language)- estimated budget US$3 Million. A previous competitive process under Loan 2742/OC-SU resulted in the selection of the firm Uitgeverij Malmberg N.V. to carry out the curriculum redesign of Grades 4 and 5 and later extended to include grade 6.

2. License for e-content and software for Math and Language for Grades 3 to 8 -estimated budget US$900,000. Uitgeverij Malmberg N.V. will be selected.

The single source selection is justified to contract the same publishing company (Uitgeverij Malmberg N.V) than in Phase I to give continuity to the curriculum redesign of the first grades and the e content compatible with the curriculum redesign.

5.7 **Recurrent Expenses.** The project will finance recurrent expenses including: salaries for PMU staff.

5.8 **Training.** The detailed procurement plan indicates which consultancy services, training and workshops are applicable. As per GN-2350-9 if the consultancy assignment includes an important component for training or transfer of knowledge to Borrower staff or national consultants, the TOR shall indicate the objectives, nature, scope, and goals of the training, including details on trainers and trainees, skills to be transferred, time frame, monitoring and evaluation arrangements. The cost for the training shall be included in the consultant’s contract and in the budget for the assignment.

5.9 The main training activities expected are training to strengthen the capacity of MOESC departments and training of teachers in the new curriculum and use of e-content.

5.10 **Procurement Plan and Supervision.** The Procurement Plan is attached (see EER#4). It indicates the procedures to be used for the various categories and types of procurement. It also indicates instances requiring prequalification, the
estimated cost of each contract or group of contracts and the requirement for prior or post review by the Bank. Ex ante supervision will be maintained for high risk/value activities. Where ex post review is applied, reviews will be performed at least once per year but may be more frequent if the volume of activities warrant. The ex post review process will include at least once physical inspection visit. The Procurement Plan will be updated annually or as necessary as required by the Bank.

5.11 **Thresholds.** The threshold for the various categories of procurement and associated procurement methods will be made available at www.iadb.org/procurement

**VI. SPECIFIC FIDUCIARY ARRANGEMENTS FOR FINANCIAL MANAGEMENT**

6.1 **Programming and Budget.** For the purposes of the program, the EA will start with a strategic planning process that is the basis for the annual budgeting. It will prepare and implement an operational plan, which will include the budget plan, procurement plan and financial plan, consistent with a 12-month financial plan that will be required from the EA on an annual basis.

6.2 **Treasury disbursement and flow of funds.** The funds will be made available to the EA through the Treasury Single account (TSA) in Surinamese Dollars (SRD) and in US dollars at the Central Bank for the management of the program resources and a listing of authorized signatures will be provided to the Bank.

6.3 As described in 6.1 above, the 12-month financial plan will serve as the basis for the determination of the funds the Bank will disburse to the EA to cover the program’s needs for the period of six months during the first year of implementation. The main disbursement methodology that will be used for the project is the advance of funds. Advances will be made based on liquidity needs of the project. Other disbursement methodologies that will be used on a smaller scale are the Reimbursement of Payments Made and Direct Payment to Supplier. Resources requested from Bank financing are payable according to the advance of Funds for up to 180 days. The EA will provide adequate control over the utilization of all Advance of Funds balance, whenever 80% of said balance has been spent.

6.4 Disbursements will be reviewed ex post, except for Requests for Direct Payment to Suppliers and Direct Payment to Borrower. The EA will be responsible for the maintenance of adequate and original documentation to support the project expenditures and shall be made available for the ex post reviews.

6.5 **Disbursement Restrictions.** Pursuant to Document AB-2990, the disbursement of Bank resources (OC) will be subject to the following maximum limits: (i) up to 15% during the first 12 months; (ii) up to 30% during the first 24 months; and (iii) up to 50% during the first 36 months. All these periods will be counted from the time the Loan operation is approved by the Board of Executive Directors. These limitations may be rendered inapplicable to the extent that the requirements set forth in the Bank’s policy regarding said limitations have been fulfilled, provided that the borrower has been notified of the same in writing.

6.6 **Accounting and Information Systems.** The EA will use QuickBooks – an off the shelf accounting and financial management system that has been adapted to the 2742/OC-SU program’s needs. This package is acceptable to the Bank It
includes recording and classification of all financial transactions, financial reports -, audited or unaudited-, that may be required from the Bank from time to time. Information related to planned versus actual financial execution of the project and financial planning is managed in Excel.

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

6.8 **External Control and Reporting.** External Control and Reporting: The External audit of the Project will be performed by an independent audit firm acceptable to the IDB. Audits will be performed in accordance with IDB’s Guidelines for Financial Reports and External Audit. The EA will be responsible for contracting of an external auditor eligible to the IDB to perform the Project audit as follows: (i) an annual financial audit of the Project to be submitted within 120 days of the end of fiscal year; and (ii) one final financial audit of the Project to be submitted within 120 days after the date of last disbursement. The scope of the external audit can be modified according the needs identified during Project execution.

6.9 **Records and Files.** The EA will have responsibility for maintaining the files and records of the project. All records and files will be maintained according to standards acceptable to the Bank and kept for a minimum of three (3) years after the end of the project’s execution period.

6.10 **Financial Supervision Plan.** The Financial Supervision Plan of the project is prepared based on the fiduciary risk of the project. As the EA has been rated with a low fiduciary risk, reliance will be placed on the fiduciary review of the project as conducted by the external auditors. Notwithstanding this, the IDB will carry out desk and in situ reviews of the project, on a semi-annual basis. The fiduciary supervision visits will include the verification of financial and accounting arrangements for the project management, as well as follow-up on any implementation recommendations issued by the independent auditor.

6.11 **Execution Mechanism.** The program management will continue with the same organizational structure established in Phase I, in which the borrower is the Republic of Suriname and the Executing Agency is the MOESC, through the Program Management Unit (PMU). The PMU is responsible for the technical and operational implementation of the program. It coordinates with the MOESC staff and enables the execution of the activities, including administrative tasks, procurement, and financial management. The PMU is headed by the Program Manager, who reports directly to the Permanent Secretary (PS), and represents the PMU on all program related matters. The rest of the core staff includes: an Operations Officer, a Procurement Officer, a Finance Officer, a Curriculum Task Officer, a Social Marketing Task Officer, and an Infrastructure Task Officer. In addition, the PMU will hire a Monitoring and Evaluation (M&E) Officer to focus on
monitoring and evaluating the program’s progress. Additional support is currently provided by a bookkeeper and an office administrative assistant, who are also expected to continue throughout Phase II.

6.12 The PMU, technical officers, financial and procurement officers (key personnel) will primarily operate on the technical and administrative levels on day to day basis.